

CITY OF SLIDELL, LOUISIANA

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2014**

Submitted by:

Department of Finance

SHARON HOWES, CPA
Director

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The City of Slidell

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FREDDY DRENNAN
Mayor

SHARON HOWES, CPA
Director of Finance

December 12, 2014

To the Honorable Mayor Freddy Drennan, Members of the Slidell City Council and
Citizens of the City of Slidell:

State law requires that all governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that deadline, we hereby issue the comprehensive annual financial report of the City for the fiscal year ended June 30, 2014.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Ericksen Krentel & LaPorte L.L.P., a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2014 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent

auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and legal requirements involving the administration of federal awards. These reports are included in the Single Audit Section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Slidell, the largest municipality in St. Tammany Parish, was founded in 1888. The City's system of government is established by its Home Rule Charter, which was adopted in 1978. The Louisiana Constitution prohibits the state legislature from enacting any law affecting the structure, organization, or distribution of the power and functions of any local subdivision that operates under a Home Rule Charter.

The City has a Mayor-Council form of government. The governing council is responsible, among other things, for passing ordinances and adopting the budget. The Mayor is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members and the Mayor serve four-year terms and are limited to two consecutive terms. Seven of the council members are elected by district. The Mayor and the two remaining council members are elected at large.

The City provides a full range of services including police protection; water and sewer services; airport facilities; the construction and maintenance of highways, streets, drainage and infrastructure; recreational activities and cultural events. The financial reporting entity consists of the primary government and other organizations for which the primary government is financially accountable. The City is financially accountable two legally separate economic development districts. The Fremaux Economic Development District and the Camellia Square Economic Development District are reported separately within the City's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (see note 56).

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Mayor on or before mid-January each year. The Mayor uses these requests as the starting point for developing a proposed budget. The Mayor then presents this proposed budget to the council for review by April 1st. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 1st. Operating budgets are prepared by fund and by department. Department heads may make transfers of appropriations within a department, as authorized by the Mayor. The transfer of

appropriations between departments requires the approval of the governing council. The Mayor also recommends to the City Council a capital improvement program for the next five years and a capital budget by project for the first year of the program. The City Council is obligated to approve a capital budget program and adopts the capital budget concurrently with the annual operating budget. Transfers between capital project line items require approval by the City Council. Unexpended capital appropriations carry over for a total of three years or until re-appropriated.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, Sales Tax Fund, Public Safety Fund, and Grants and Donations Fund this comparison is presented on pages 59 - 64 as part of the basic financial statements for the governmental funds. For other governmental funds with an appropriated annual budget, this comparison is presented in the governmental fund subsection of this report, which is presented on pages 69 - 71.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Hurricane Katrina The impact of Hurricane Katrina on August 29, 2005 continues to affect the City's 2014 financial statements. Hurricane Katrina caused catastrophic water and wind damage to Slidell. Approximately 51% of the City's land mass was inundated with up to 5 feet of storm surge causing flooding to approximately 5,600 residences and 700 businesses. After a slow start, substantially all residential and commercial rebuilding is now complete. The City suffered extensive damage to its administrative buildings, equipment and infrastructure. Ten structures including city hall, the council chambers and the building that housed our jail and police administration were ruined by Katrina floodwaters. The jail, police administrative building, gymnasium, city hall and two administrative buildings were repaired or rebuilt within the first 5 years. Construction on the building to house the last group of displaced employees working in trailers was completed in March, 2011. Construction was completed on the last two hurricane damaged buildings in 2012 and both the senior citizen's building and the municipal auditorium opened their doors to the public again. Substantially all vehicles and machinery lost in the storm were replaced with local and FEMA funding in 2006. Work to clean out our drainage and sanitary systems is now complete. The demolition of blighted and abandoned properties is substantially complete but work in this area is ongoing. FEMA has awarded substantial funds for elevation of private homes in the City and work continues in this area. The removal of damaged and dangerous trees from public property and the repairs to major pump stations were completed in 2008. Work to repair the most visible damages to our street system infrastructure started in 2008 and was completed in 2010. FEMA assessment teams are still working with City officials to identify sub-surface damages to the streets, sewer and water systems. A five million dollar public assistance grant was awarded in 2013 to address sub-surface street damages and these projects are currently in design. A ten

million dollar public assistance grant was awarded in December 2014 for sewer system repairs in one area of the City and this work is in design. Additional funding from FEMA is expected to address leaks in the water system and damage to the sewer system in other parts of the City.

Local economy Slidell (population: approximately 27,000) is located in the southeastern portion of St. Tammany Parish - about 20 miles from New Orleans. The City is primarily a residential area that continues to benefit from population growth and commercial development. Due to its proximity to New Orleans, residents have access to broad and diverse employment opportunities.

Slidell, a suburb of New Orleans, is uniquely located at the intersection of 3 interstates – Interstate 10, 12 and 59. Slidell has traditionally served as a retail center for the unincorporated areas of southeastern St. Tammany Parish. Recent commercial development in the surrounding communities took shoppers away from Slidell resulting in stagnant growth for sales tax revenue, the City major revenue source, from 2009 to 2013. Due to the opening of a major new shopping center located in the Fremaux Economic Development District in March 2014, the City experienced a 2% increase in sales revenue in 2014.

For over a decade, St. Tammany Parish has remained the fastest growing parish in the state as New Orleanians continue to move north of Lake Pontchartrain. The 2000 Census data revealed that St. Tammany Parish grew at the fastest rate in the state, a 32% increase from 1990. St. Tammany Parish experienced strong residential growth after Hurricane Katrina when displaced victims from surrounding parishes and the Mississippi Gulf Coast relocated to sections of St. Tammany Parish that did not experience flooding. According to the University of New Orleans most recent Metropolitan Report (September 2014), overall employment in St. Tammany Parish posted a 2% gain in employment over the year resulting in a net gain of nearly 1,568 jobs. Total earnings within the parish went up 3.7%, increasing from \$880 million to \$913 million over the year.

Long-term financial planning After four years of stagnant growth, the City's major source of revenue, sales tax revenue, experienced a slight uptick in collections following the opening of a major new shopping center in the Fremaux Economic Development District. The mayor and council are seeking to stimulate economic development by offering incentives to developers through tax incentive financing. In November 2014, the Council voted to create the City's third economic development district and then levied a new one-half (0.05%) per cent sales and tax. The owners of a mall with declining occupancy will be reimbursed for renovations to the mall with proceeds from the new tax.

The City has instituted several cost saving measures over the last six budget cycles to offset flat revenue. Forty-nine out of 358 full-time positions have been eliminated since 2009. Prior to 2014, the City paid 100% of the employee share of retirement contributions on behalf of most employees. Employees were required to contribute 50% of the employee contribution beginning in 2014 and then 100% of the employee contribution in 2015 resulting in an annual savings of \$1.2 million for the City. Other measures include

reducing the number of take home vehicles, elimination of on-call pay, changes to retiree medical benefits, scaling down City sponsored cultural events and reducing City contributions to community organizations.

Securing funding for flood protection and mitigation of flood damages is a high priority due to the City's vulnerability to flooding in rain events and storm surge in hurricane events. An \$18.4 million program for drainage improvements in various parts of the City is underway with funding from a FEMA hazard mitigation grant award. Bar screens and automated rakes were installed at the City Barn Pump Station (\$4.2 million) and the Schneider Canal Pump Station (\$4.6 million) and will be fully functional for the 2015 hurricane season. The study phase for three storm drainage canals was completed in 2014 and design is underway for those projects. The total projected cost for City Barn Channel Improvements, Eastwood Storm Drain Line and Markham/Peachtree drainage is \$1.6 million, \$2.8 million and \$5.1 million, respectively.

Construction of the second phase of Fremaux Town Center, a large mixed use development situated near a new interchange off Interstate 10 in Slidell, is underway. The first phase of the development consisting of 330,000 square feet of retail space with a total development cost of approximately \$75 million opened in spring 2014. The second phase consisting of 280,000 square feet of retail space with a total development cost of approximately \$65 million is scheduled to open in October 2015. Phase one and phase two projects will create 3,200 to 3,400 construction jobs and will create 1,400 to 1,500 permanent jobs. On the balance of the master tract, additional phases for development are expected to include multi-family apartments, a hotel and office space.

The construction and financing of the infrastructure to support the Fremaux Town Center development is also taking place in multiple phases with multiple funding sources. The construction of phase one of the spine roadway through the development, the utility infrastructure and purchase of land for a service along Interstate 10 was completed in 2010 with a combination of federal, state, parish and private funding. In 2011 the service road along Interstate 10 was constructed with funding from the Federal stimulus package (American Recovery and Reinvestment Act, "ARRA"). Phase two of the spine roadway through the development was approved to receive Federal funding for 80% of construction cost. Construction is now underway and is expected to be completed by June 2015.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Slidell for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. This is the twenty-ninth consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current (CAFR) continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "S. Howes", is written over a horizontal line.

Sharon Howes, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Slidell
Louisiana**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

A handwritten signature in black ink, reading "Jeffrey R. Emen". The signature is written in a cursive, flowing style.

Executive Director/CEO

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**CITY OF SLIDELL
PRINCIPAL ELECTED OFFICIALS
JUNE 30, 2014**

MAYOR

Freddy Drennan – Mayor

COUNCIL MEMBERS

L. Landon Cusimano – Councilman-at-Large

Kim Baronet Harbison – Councilwoman-at-Large

Lionel Hicks – District A

Sam Abney – District B

Buddy Lloyd – District C

Joe Fraught – District D

Sam Caruso – District E

Jay Newcomb – District F

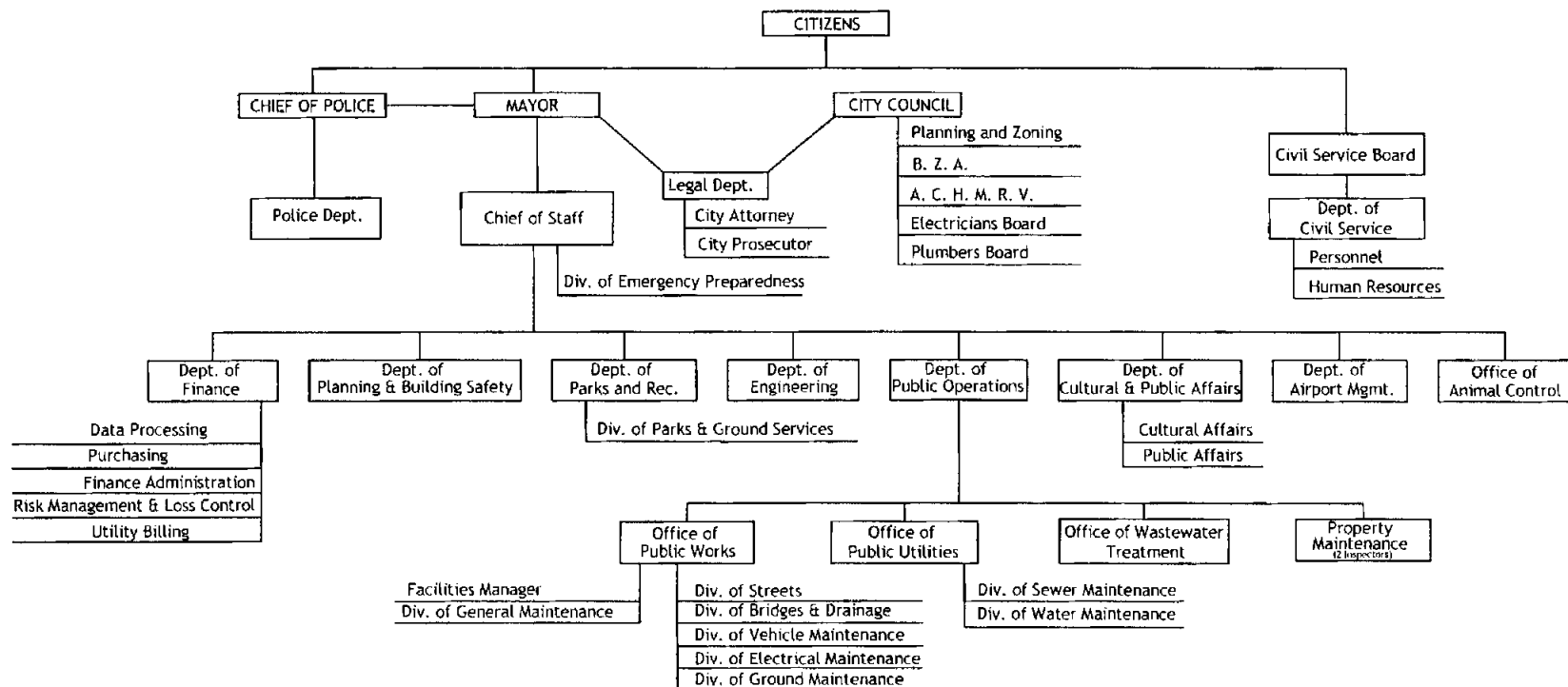
Bill Borchert – District G

CHIEF OF POLICE

Randy Smith – Chief of Police

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ORGANIZATIONAL PLAN for the GOVERNMENT of the CITY of SLIDELL 2014



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Slidell, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

To the Honorable Mayor and Members of the City Council
City of Slidell, Louisiana
December 12, 2014

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and schedule of funding progress for OPEB plan on pages 4 through 13 and 59 through 65 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major governmental funds and fiduciary fund financial statements, non-major fund budgetary comparison schedules, supporting schedules on pages 77 through 81, and statistical section, are presented for purposes of additional analysis and are not a required part of



To the Honorable Mayor and Members of the City Council
City of Slidell, Louisiana
December 12, 2014

the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major governmental funds and fiduciary fund financial statements, non-major fund budgetary comparison schedules, supporting schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major governmental funds and fiduciary fund financial statements, non-major fund budgetary comparison schedules, supporting schedules and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mandeville, Louisiana
December 12, 2014

Erickson, Krentel & Laporte, LLP

Certified Public Accountants

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

Our discussion and analysis of the City of Slidell's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the transmittal letter on pages I through VI and the City's financial statements, which begin on page 14.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 14 and 15) provide information about the activities of the City as a whole and present a long-term view of the City's finances.

Fund financial statements start on page 16. For governmental activities, these statements report how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as an agent for the benefit of those outside of the government.

The Statement of Net Position and the Statement of Activities

Our analysis of the City as a whole begins on page 6. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's financial activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. As such, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. You can think of the City's net position—the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources—as one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall financial health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into two kinds of activities:

- Governmental activities—Most of the City's basic services are reported here, including the police, public works, and parks departments, and general administration. Sales and use taxes, property taxes, franchise fees, and state and federal grants finance most of these activities.
- Business-type activities—The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer system and airport are reported here.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Fund Financial Statements

Our analysis of the City's major funds begins on page 9. The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City establishes other funds to help it control and manage money for particular purposes or to account for it to meet legal responsibilities for using certain taxes, grants, and other money. The City's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.
- Proprietary funds—When the City charges customers for the services it provides these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information such as cash flows, for proprietary funds.

Reporting the City's Fiduciary Responsibilities

The City also holds certain assets in a fiduciary capacity for individuals, organizations and others. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position on page 24. We exclude these assets from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 25 of this report.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning budgetary basis reporting for the General Fund, Sales Tax Fund, Grants and Donations Fund, Public Safety Fund and funding progress for OPEB plans. Required supplementary information can be found on pages 59 to 65 of this report.

The combining statements of non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67 to 68 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$177.9 million at the close of fiscal year 2014 as compared to \$162.9 million at the close of fiscal year 2013.

Table 1
Net Position
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Government</u>	
	<u>2014</u>	<u>Restated</u> <u>2013</u>	<u>2014</u>	<u>Restated</u> <u>2013</u>	<u>2014</u>	<u>Restated</u> <u>2013</u>
Current and other assets	\$ 39,753	\$ 36,325	\$ 9,797	\$ 9,122	\$ 49,550	\$ 45,447
Capital assets	<u>114,892</u>	<u>107,243</u>	<u>49,911</u>	<u>49,515</u>	<u>164,803</u>	<u>156,758</u>
Total assets	<u>154,645</u>	<u>143,568</u>	<u>59,708</u>	<u>58,637</u>	<u>214,353</u>	<u>202,205</u>
Total deferred outflows of resources	183	248	51	62	234	310
Long-term debt outstanding	24,171	26,978	6,043	6,556	30,214	33,534
Other liabilities	<u>5,866</u>	<u>5,754</u>	<u>576</u>	<u>376</u>	<u>6,442</u>	<u>6,130</u>
Total liabilities	<u>30,037</u>	<u>32,732</u>	<u>6,619</u>	<u>6,932</u>	<u>36,656</u>	<u>39,664</u>
Net position						
Net investment in capital assets	105,863	96,621	45,992	44,878	151,855	141,499
Restricted	1,945	1,947	365	366	2,310	2,313
Unrestricted net position	<u>16,983</u>	<u>12,516</u>	<u>6,783</u>	<u>6,523</u>	<u>23,766</u>	<u>19,039</u>
	<u>\$124,791</u>	<u>\$111,084</u>	<u>\$ 53,140</u>	<u>\$ 51,767</u>	<u>\$177,931</u>	<u>\$162,851</u>

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Table 2
Changes in Net Position
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Government</u>	
	Restated		Restated		Restated	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 5,127	\$ 5,611	\$ 10,097	\$ 10,212	\$ 15,224	\$ 15,823
Operating grants	6,727	4,831	-	-	6,727	4,831
Capital grants	11,574	1,446	1,319	421	12,893	1,867
General revenues						
Sales tax	18,362	17,992	-	-	18,362	17,992
Property tax	4,231	4,254	1,892	1,834	6,123	6,088
Other tax	2,129	2,986	-	-	2,129	2,986
Loan Cancellation	2,356	-	-	-	2,356	-
Other general revenue	173	306	16	9	189	315
Total revenues	<u>50,679</u>	<u>37,426</u>	<u>13,324</u>	<u>12,476</u>	<u>64,003</u>	<u>49,902</u>
Program expenses						
General government	9,484	9,647	-	-	9,484	9,647
Public works	14,631	13,090	-	-	14,631	13,090
Public safety	10,697	10,747	-	-	10,697	10,747
Recreation and culture	1,980	2,064	-	-	1,980	2,064
Judicial system	373	437	-	-	373	437
Interest on long term debt	510	642	-	-	510	642
Utilities	-	-	10,208	10,031	10,208	10,031
Airport	-	-	1,040	1,195	1,040	1,195
Total expenses	<u>37,675</u>	<u>36,627</u>	<u>11,248</u>	<u>11,226</u>	<u>48,923</u>	<u>47,853</u>
Excess before transfers	13,004	799	2,076	1,250	15,080	2,049
Transfers	<u>703</u>	<u>634</u>	<u>(703)</u>	<u>(634)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 13,707</u>	<u>\$ 1,433</u>	<u>\$ 1,373</u>	<u>\$ 616</u>	<u>\$ 15,080</u>	<u>\$ 2,049</u>
Ending net position from the Statement of Activities	<u>\$124,791</u>	<u>\$111,084</u>	<u>\$ 53,140</u>	<u>\$ 51,767</u>	<u>\$177,931</u>	<u>\$162,851</u>

By far the largest portion of the City's net position (85%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Slidell uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Slidell's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

An additional portion of the City of Slidell's net position (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (13%) may be used to meet the government's general ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Slidell is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The City's net position increased \$15,080,000 during the current fiscal year.

Governmental Activities

Governmental activities increased the City's net position by \$13,707,000.

Total revenue related to governmental activity increased by \$13.3 million or 35% in 2014 as compared to 2013. Revenue from capital grants and contributions increased \$10.1 million - from \$1.4 million in 2013 to \$11.6 million in 2014. Capital grant revenue in 2014 includes \$7.9 million for installation of bar screens and rakes at two drainage pump stations. Most capital grant awards are non-recurring. Fluctuations from one year to the next are expected. In 2014, the U.S. Department of Homeland Security approved the full cancellation of the Community Disaster Loan given to the City to fund operating costs following Hurricane Katrina. General revenue in 2014 includes \$2.4 million for cancellation of the Community Disaster Loan - \$1.4 million for cancellation of the outstanding principal and \$0.9 million for reimbursement of principal and interest paid prior to cancellation. Revenue from operating grants increased by \$1.9 million primarily due to federal grants to elevate private residential property. Other tax revenue decreased \$857,000 primarily due to a one-time fee paid by an electric company to renew an expiring franchise agreement in 2013. Recurring revenue from sales tax collections increased by 370,000 (2%) primarily due to the opening of a major new shopping center located in the Fremaux Economic Development District in March 2014.

Total expenses for governmental activities increased by \$1 million or 3% in 2014 compared to 2013. Program expenses for public works increased by \$1.5 million primarily due to the cost associated with elevating private residential property with federal grants. A total of \$5.1 million and \$3.0 million was spent on elevation of private residential property in 2014 and 2013, respectively. This increase was offset by decreases in all other functional activities primarily due to reductions in staffing levels and retirement benefits.

Business-type Activities

Net position in the business-type activities of the City of Slidell increased by \$1,373,000 in 2014.

Total revenue for business-type activities increased by \$848,000 or 7%. Capital contributions increased by \$898,000 primarily due to a developer donation to the City of water (\$475,000) and sewer (\$654,000) infrastructure in the Fremaux Economic Development District. Charges for services decreased \$115,000 primarily due to a decrease in revenue from fuel sales at the airport as the result of declining volume and lower gas and oil prices.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Total expenses for business-type activities increased by only \$22,000 or less than 1%.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$33,345,000, a increase of \$3,157,000 in comparison with the prior year fund balance as restated of \$30,188,000. Approximately 4% of this total amount, \$1,498,000, constitutes unassigned fund balance which is available for spending at the government's discretion. The remainder of fund balance is either non-spendable, restricted to indicate it is not available for new spending, committed or assigned for certain purposes.

In a tax proposition approved by voters in December 2012, the City's 1987 one percent sales tax was rededicated to include the operational cost of police protection and public safety beginning July 1, 2013. In 2014 the revenue and expenditures of the public safety function which includes three divisions of the Police Department are accounted for in a Special Revenue Fund known as the Public Safety Fund. The Police Division was previously accounted for in the General Fund. The Corrections Facility Division and the Regional Training Facility Division were previously accounted for in the Sales Tax Fund.

Fund balance in the General Fund increased by \$282,000 during the current fiscal year.

Total revenue in the General Fund decreased by \$2,774,000 or 30% in 2014 as compared to 2013. Revenue sources (\$2.2 million in 2013) related to the public safety function are recorded in the Public Safety Fund in 2014. Public safety revenue in 2013 included \$1,015,000 for ad valorem tax dedicated to the police department, \$236,000 for service charges generated by the police department and \$923,000 from intergovernmental revenue related to the public safety function. Franchise tax revenue decreased \$857,000 primarily due to a one-time renewal fee paid in 2013 by an electric company to renew an expiring franchise agreement. Licenses and permit fees increased by \$269,000 primarily due to permits fees for new construction in the Fremaux Economic Development District.

Total expenditures in the General Fund decreased by \$8,429,000 or 66% in 2014 as compared to 2013. Expenditures for public safety (\$7.8 million in 2013) for operations of the police department are recorded in the Public Safety Fund in 2014. General government expenditures decreased \$775,000. General government expenditures for payment of unused vacation and sick time for terminating employees of the police department (\$320,000 in 2013) are recorded in the Public Safety Fund in 2014. General government expenditures for payment of retiree medical for former police department employees (\$560,000 in 2013) are recorded in the Public Safety Fund in 2014.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Recreation and culture expenditures in the General Fund increased by \$229,000. Expenditures of the Cultural Arts Department (\$236,000 in 2013) were accounted for in the Sales Tax Fund prior to 2014. This change was made because the department no longer occupies and operates a separate cultural arts facility and does not meet the criteria to be funded by the 1987 one per cent sales tax dedication.

Net transfers in the General Fund decreased by \$3,640,000 or 80% in 2014 as compared to 2013. Since the General Fund no longer accounts for expenditures of the public safety function, a transfer of undedicated sales tax revenue from the Sales Tax Fund is no longer required to subsidize the operating costs of the General Fund.

Fund balance in the sales tax fund increased \$640,000 in the current year.

Total revenues in the Sales Tax Fund decreased \$6.7 million or 36% from 2013 to 2014. Although sales revenue recorded in sales tax fund decreased by \$6.6 million, the total City sales tax collections increased from \$18.0 in 2013 to \$18.4 million in 2014, an increase of 2%. Pursuant to a voter approved rededication of the 1987 tax to allow its use for public safety operations, a portion of the 1987 sales tax that was previously recorded in the Sales Tax Fund is recorded in the Public Safety Fund in 2014.

Expenditures in the Sales Tax Fund decreased \$1,415,000 or 11% from 2013 to 2014. Operating expenditures decreased by \$1,975,000 or 19% in 2014. Operating expenditures related to the public safety function (\$1.209 million in 2013) are recorded in the Public Safety Fund in 2014. The recreation and culture function decreased \$326,000. Operating expenditures of the Cultural Arts Department (\$236,000 in 2013) are recorded in the General Fund in 2014. Operating expenditures of the public works function decreased \$414,000 or 10% due to vacancies and reductions in benefits. Capital expenditures increased \$731,000. Fluctuations in capital expenditures from one year to the next are common. Capital appropriations are for a minimum three year period because capital projects often require time for design and engineering before more cost intensive construction occurs.

The Grants and Donations Fund accounts for various grants and donations that are not accounted for in other funds. Total revenue was \$14.4 million and \$5.3 million in 2014 and 2013, respectively. Major projects funded by grants in 2014 include \$5,154,000 for elevation of private residential properties and \$7,884,000 for installation of bar screens and rakes at two drainage pump stations.

The Public Safety Fund was established in 2014 to account for the City's police department which is primarily funded by a portion of the newly dedicated 1987 sales and use tax. The total revenues, expenditures and transfers in for 2014 were \$9,159,000, \$9,813,000 and \$2,647,000, respectively. After considering the changes in how various revenues and expenditures were recorded in 2014 as compared to 2013, there were no significant changes in revenue or expenditures.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

General Fund Budgetary Highlights

The City Council revised the 2014 original adopted budget for the general fund two times. The first budget amendment appropriated unassigned fund balance of \$1,085,000 as of June 30, 2013. The fund balance committed to contingencies in the general fund was increased by \$151,000, expenditures for certain police department benefits (\$695,000) that were originally budgeted in the general fund (risk management division) were reduced and then reallocated to the public safety fund and the excess unassigned funds (\$1,617,000) were transferred to the public safety fund. The second budget amendment increased the transfer from the Sales Tax Fund by \$231,000 and increased the fund balance committed to operating reserves by \$231,000.

By budgetary policy, revenue estimates are prepared with a conservative bias. Overall, general fund revenue in 2014 experienced a positive variance of \$710,000 from the final adopted budget. Revenue from licenses and permits had a positive variance of \$283,000 primarily due to permit fees for construction of a new shopping center in the Fremaux Economic Development District. A positive variance of \$243,000 in franchise fee revenue from electric, gas and cablevision companies and the positive variance in all other revenue sources (\$184,000) is primarily due to the conservative bias in revenue forecasting.

Actual expenditures were \$275,000 less than the final adopted budget. Vacancies and turnover resulted in lower than budgeted salaries (\$75,000), retirement (15,000), and employee medical costs (\$69,000).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2014, the City had \$164.8 million invested in a broad range of capital assets, including police and public works equipment, buildings, park facilities, roads, drainage, bridges, airport facilities, wastewater treatment plant, water lines, and sewer lines (See Table 3). This amount represents a net increase (including additions and deductions) of \$8,045,000 from last year.

Table 3
Capital Assets at Year-end
(Net of Depreciation, In Thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 21,843	\$ 20,323	\$ 76	\$ 76	\$ 21,919	\$ 20,399
Building and building improvements	36,052	36,935	962	1,023	37,014	37,958
Land improvements	2,301	1,405	4,239	4,680	6,540	6,085
Machinery and equipment	3,588	3,777	3,050	3,142	6,638	6,919
Infrastructure	40,786	36,128	40,804	40,347	81,590	76,475
Construction-in-progress	10,322	8,675	780	247	11,102	8,922
Total capital assets, net	<u>\$114,892</u>	<u>\$107,243</u>	<u>\$ 49,911</u>	<u>\$ 49,515</u>	<u>\$164,803</u>	<u>\$156,758</u>

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

Capital assets additions for governmental activities (\$13.8 million) in 2014 include \$1.5 million for a land donation from the developer in the Fremaux Economic Development District, \$8.6 million for construction-in-progress (primarily rakes and screens for two drainage pump stations) \$1.4 million for equipment and vehicles, \$857,000 for street projects and \$852,000 for drainage projects. Capital additions for business activities (\$3.3 million) in 2014 include \$1.5 million for sewer system improvements, \$772,000 for water system improvements and \$349,000 for equipment and vehicles. More detailed information about the City's capital assets is presented in Note 8 to the financial statements

Debt

At year-end, the City had \$17.2 million in bonds, notes and capital leases outstanding versus \$21.6 million last year as shown in Table 4.

Table 4
Outstanding Debt, at Year-end
(In Thousands)

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total</u> <u>Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
General obligation bonds (backed by property tax)	\$ 9,940	\$ 11,030	\$ -	\$ -	\$ 9,940	\$ 11,030
Revenue bonds and notes (backed by specific tax and fee revenue)	1,805	2,365	3,085	3,675	4,890	6,040
Other notes (backed by a pledge of all lawfully available funds)	1,518	3,262	-	-	1,518	3,262
Certificates of indebtedness	-	-	884	1,084	884	1,084
Capital lease obligations	<u>-</u>	<u>164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164</u>
Totals	<u>\$ 13,263</u>	<u>\$ 16,821</u>	<u>\$ 3,969</u>	<u>\$ 4,759</u>	<u>\$ 17,232</u>	<u>\$ 21,580</u>

Principal reductions in 2014 were \$3,558,000 and \$790,000 in the governmental and business-type funds, respectively. Principal reductions in 2014 include the cancellation of the outstanding principal (\$1.3 million) on the Community Disaster Loan given to the City following Hurricane Katrina. The City also received \$0.9 million for principal and interest paid prior to cancellation in 2014.

Standards & Poor raised its long-term rating to "AA" from "AA-" on the city's general obligation (GO) bonds based on its local GO criteria released September 12, 2013 and stabilization of city revenues. The State limits the amount of general obligation debt that cities can issue to 35% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt (\$9.9 million) is significantly below this \$77 million state-imposed limit.

CITY OF SLIDELL
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
JUNE 30, 2014

The City is self-insured with excess coverage for workers' compensation, general liability, auto liability, and employee medical. Claims and judgments of \$1,996,000 are outstanding at year-end compared with \$2,279,000 last year. Other obligations include accrued vacation pay, sick leave and net other post-employment benefit obligations.

More detailed information about the City's long-term liabilities is presented in Notes 5, 10, 11 and 12 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Original Adopted Budget 2015

The City's elected and appointed officials considered many factors when setting the original fiscal year 2015 budget. Sales tax collections, which generate the bulk of operating revenue, have experienced fluctuations. After increasing to \$23.6 million in 2006 due to rebuilding efforts after Hurricane Katrina, sales tax collections gradually decreased to \$17.9 million in 2010, remained flat through 2013 and increased 2% to \$18.4 million in 2014.

Sales tax revenue for the original 2015 budget was estimated at \$18.1 million – a 1.6% decrease from 2014 revenue. Sales tax revenue for the first four months of 2015 is 4% greater than the first four months of 2014. Property tax rates were reduced from 25.89 mills in 2014 to 25.85 mills by the City Council for 2015. Revenue from property tax revenue for 2015 is budgeted to approximate the amount collected in 2014. Collections from various utility fees and charges were projected to grow in accordance with the annual rate adjustment based on the increase in the consumer price index. All other revenue projections were budgeted with a conservative bias.

The City has instituted several cost saving measures over the last six budget cycles to offset flat revenue. Forty-nine out of 358 full-time positions have been eliminated since 2009. Prior to 2014, the City paid 100% of the employee share of retirement contributions on behalf of most employees. Employees are required to contribute 50% of the employee contribution beginning in 2014 and then 100% of the employee contribution in 2015 resulting in an annual savings of \$1.2 million for the City. Other measures, include reducing the number of take home vehicles, elimination of on-call pay, changes to retiree medical benefits, scaling down City sponsored cultural events and reducing City contributions to community organizations.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director's Office at 2045 Second Street, Slidell, Louisiana or by phone at (985) 646-4316.

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BASIC FINANCIAL STATEMENTS

CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION
JUNE 30, 2014

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	Governmental Activities	Business-type Activities	Total	Fremaux EDD	Camellia Square EDD
<u>ASSETS:</u>					
Cash and cash equivalents	\$ 30,171,258	\$ -	\$ 30,171,258	\$ -	\$ -
Investments	2,500,475	-	2,500,475	-	-
Receivables, net of allowances for uncollectibles					
Taxes	2,343,038	-	2,343,038	49,856	18,647
Water, sewerage and garbage	-	936,319	936,319	-	-
Unbilled receivables	-	514,561	514,561	-	-
Other	351,910	3,843	355,753	-	-
Internal balances	(7,704,597)	7,704,597	-	-	-
Inventory	139,227	160,153	299,380	-	-
Prepaid items	1,425,407	4,635	1,430,042	-	-
Due from other governments	3,697,712	107,823	3,805,535	-	-
Restricted assets:					
Cash and cash equivalents	5,888,597	268,845	6,157,442	1,354,979	43,006
Investments	939,866	95,980	1,035,846	-	-
Capital assets not being depreciated	32,166,109	856,012	33,022,121	-	-
Capital assets being depreciated, net of accumulated depreciation	82,726,234	49,055,329	131,781,563	-	-
Total assets	154,645,236	59,708,097	214,353,333	1,404,835	61,653
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>					
Deferred charges on refundings	183,327	51,112	234,439	-	-
Total deferred outflows of resources	183,327	51,112	234,439	-	-
<u>LIABILITIES:</u>					
Accounts payable and other current liabilities	5,801,363	576,273	6,377,636	70,422	43,014
Due to local entities	64,846	-	64,846	-	-
Noncurrent liabilities:					
Due within one year	3,478,280	830,739	4,309,019	-	-
Due in more than one year	20,693,216	5,212,446	25,905,662	5,665,450	-
Total liabilities	30,037,705	6,619,458	36,657,163	5,735,872	43,014
<u>NET POSITION:</u>					
Net investment in capital assets	105,863,429	45,992,103	151,855,532	-	-
Restricted for:					
Debt service	1,090,826	364,825	1,455,651	571,009	-
Grants	554,133	-	554,133	-	-
Workers compensation	300,000	-	300,000	-	-
Unrestricted	16,982,470	6,782,823	23,765,293	(4,902,046)	18,639
Total net position (deficit)	\$ 124,790,858	\$ 53,139,751	\$ 177,930,609	\$ (4,331,037)	\$ 18,639

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expense) Revenue and Change in Net Position					
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activites	Total	Fremaux EDD	Camellia Square EDD	
PRIMARY GOVERNMENT:										
Governmental Activities:										
General government	\$ 9,484,652	\$ 3,557,467	\$ 699,533	\$ (78,704)	\$ (5,306,356)	\$ -	\$ (5,306,356)	\$ -	\$ -	
Public works	14,630,818	492,521	5,241,718	11,242,720	2,346,141	-	2,346,141	-	-	
Public safety	10,696,681	926,715	580,346	96,873	(9,092,747)	-	(9,092,747)	-	-	
Parks and recreation	1,979,693	107,631	205,190	313,172	(1,353,700)	-	(1,353,700)	-	-	
Judicial system	373,389	42,288	-	-	(331,101)	-	(331,101)	-	-	
Interest on long-term debt	509,918	-	-	-	(509,918)	-	(509,918)	-	-	
Total governmental activities	37,675,151	5,126,622	6,726,787	11,574,061	(14,247,681)	-	(14,247,681)	-	-	
Business-type Activities:										
Utilities	10,208,370	9,594,013	-	1,316,986	-	702,629	702,629	-	-	
Airport	1,039,799	503,162	-	2,441	-	(534,196)	(534,196)	-	-	
Total business-type activities	11,248,169	10,097,175	-	1,319,427	-	168,433	168,433	-	-	
Total primary government	\$ 48,923,320	\$ 15,223,797	\$ 6,726,787	\$ 12,893,488	(14,247,681)	168,433	(14,079,248)	-	-	
COMPONENT UNITS:										
Fremaux Economic Development District	4,491,192	-	-	-	-	-	-	(4,491,192)	-	
Camellia Square Economic Development District	43,014	-	-	-	-	-	-	-	(43,014)	
Total component units	\$ 4,534,206	\$ -	\$ -	\$ -	-	-	-	\$ (4,491,192)	\$ (43,014)	
General Revenues:										
Taxes:										
Ad Valorem					4,230,985	1,892,000	6,122,985	-	-	
Sales and use					18,361,905	-	18,361,905	138,889	48,466	
Hotel occupancy					-	-	-	-	13,142	
Franchise					2,062,463	-	2,062,463	-	-	
Beer and tobacco					67,095	-	67,095	-	-	
Investment earning					132,630	1,027	133,657	93	45	
Miscellaneous					38,994	14,950	53,944	-	-	
Loan cancellation					2,356,878	-	2,356,878	-	-	
Transfers					703,423	(703,423)	-	-	-	
Total general revenues and transfers					27,954,373	1,204,554	29,158,927	138,982	61,653	
Change in net position					13,706,692	1,372,987	15,079,679	(4,352,210)	18,639	
Net position - beginning of year, restated					111,084,166	51,766,764	162,850,930	21,173	-	
Net position (deficit) - end of year					\$ 124,790,858	\$ 53,139,751	\$ 177,930,609	\$ (4,331,037)	\$ 18,639	

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	ASSETS					
	General Fund	Sales Tax Fund	Public Safety Fund	Grants and Donations Fund	Other Governmental Funds	Total Governmental Funds
<u>CURRENT ASSETS:</u>						
Cash and cash equivalents	\$ 30,170,858	\$ 200	\$ -	\$ 200	\$ -	\$ 30,171,258
Investments	-	-	-	-	2,500,475	2,500,475
Receivables, net of allowances for uncollectibles:						
Taxes	717,294	1,625,744	-	-	-	2,343,038
Other	216,801	7,273	13,478	-	36,025	273,577
Due from other funds	441,637	8,422,607	1,987,019	-	8,151,246	19,002,509
Due from local entities	25,022	-	53,311	-	-	78,333
Due from other governments	17,390	-	5,098	2,979,934	13,831	3,016,253
Inventory	139,227	-	-	-	-	139,227
Prepaid items	1,425,407	-	-	-	-	1,425,407
Restricted assets:						
Cash	1,292,179	450,961	-	-	4,145,457	5,888,597
Investments	300,000	639,866	-	-	-	939,866
Total assets	\$ 34,745,815	\$ 11,146,651	\$ 2,058,906	\$ 2,980,134	\$ 14,847,034	\$ 65,778,540
	<u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>						
Accounts, salaries, and other payables	\$ 2,609,495	\$ 512,790	\$ 64,991	\$ 1,984,561	\$ 489,317	\$ 5,661,154
Due to other funds	26,330,315	-	-	441,440	197	26,771,952
Total liabilities	28,939,810	512,790	64,991	2,426,001	489,514	32,433,106
<u>FUND BALANCES:</u>						
Nonspendable:						
Inventory	139,226	-	-	-	-	139,226
Prepaid items	1,425,408	-	-	-	-	1,425,408
Restricted for:						
Bond reserves	-	639,865	-	-	-	639,865
Debt service	-	-	-	-	2,587,133	2,587,133
Grants	-	-	-	554,133	-	554,133
Sinking fund	-	450,961	-	-	-	450,961
Streets and drainage	-	-	-	-	4,145,457	4,145,457
Workers compensation	300,000	-	-	-	-	300,000
Committed to:						
Capital outlay	-	3,178,708	945,096	-	5,766,147	9,889,951
Contingencies	1,143,000	3,195,000	261,127	-	193,863	4,792,990
Operating reserves	231,000	1,757,938	472,000	-	-	2,460,938
Assigned to:						
Compensated absences	562,500	-	-	-	-	562,500
Claims - workers compensation	378,466	-	-	-	-	378,466
Claims - general liability	11,569	-	-	-	-	11,569
Claims - medical	117,117	-	-	-	-	117,117
Public improvements, facilities & equipment	-	1,411,389	-	-	193,346	1,604,735
Public safety	-	-	315,692	-	-	315,692
Recovery	-	-	-	-	1,471,574	1,471,574
Unassigned	1,497,719	-	-	-	-	1,497,719
Total fund balances	5,806,005	10,633,861	1,993,915	554,133	14,357,520	33,345,434
Total liabilities and fund balances	\$ 34,745,815	\$ 11,146,651	\$ 2,058,906	\$ 2,980,134	\$ 14,847,034	\$ 65,778,540

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Amounts reported for governmental activities in the Statement of Net Position
are different because:

Funds balances, total governmental funds	\$ 33,345,434
Receivables due from FEMA related to Hurricane Katrina are reported in the Statement of Net Position at the time they are earned, without regard to the timeliness of the remittance by FEMA.	681,459
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	114,892,343
Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Accrued interest payable	(140,209)
Claims	(1,995,507)
Compensated absences	(1,829,000)
OPEB liability	(6,989,291)
Bonds, notes, and loans payable (net of premiums, discounts and deferred charges)	<u>(13,174,371)</u>
Net position of governmental activities	\$ <u>124,790,858</u>

CITY OF SLIDELL, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Sales Tax Fund	Public Safety Fund	Grants and Donations Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>						
Taxes and assessments:						
Sales taxes	\$ -	\$ 11,363,053	\$ 6,998,852	\$ -	\$ -	\$ 18,361,905
Ad Valorem	1,168,310	465,905	1,045,330	-	1,551,440	4,230,985
Franchise	2,062,463	-	-	-	-	2,062,463
Licenses and permits	2,383,461	-	-	-	-	2,383,461
Intergovernmental revenues:						
Federal and state grants	-	-	-	14,013,244	1,051,277	15,064,521
Other state and local governmental revenues	67,095	16,040	466,636	3,367	401,880	955,018
State supplemental pay	-	-	420,140	-	-	420,140
Fines and forfeitures	273,489	-	-	-	-	273,489
Service charges	206,774	31,613	228,879	-	1,540,735	2,008,001
Contributions	-	-	-	353,694	-	353,694
Other revenues, primarily interest and tuition	229,914	1,409	-	-	16,618	247,941
Total revenues	<u>6,391,506</u>	<u>11,878,020</u>	<u>9,159,837</u>	<u>14,370,305</u>	<u>4,561,950</u>	<u>46,361,618</u>
<u>EXPENDITURES:</u>						
Current:						
General government	3,238,059	3,607,940	-	80,635	1,703,317	8,629,951
Public works	533,665	3,812,316	-	5,363,436	-	9,709,417
Public safety	-	-	9,397,721	257,077	-	9,654,798
Recreation and culture	229,437	933,294	-	194,163	-	1,356,894
Judicial system	333,954	-	-	-	-	333,954
Debt service:						
Principal retirement	-	-	163,758	-	2,010,100	2,173,858
Interest and fiscal charges	-	-	6,739	-	496,554	503,293
Capital outlay	-	2,985,689	244,408	8,485,559	802,774	12,518,430
Total expenditures	<u>4,335,115</u>	<u>11,339,239</u>	<u>9,812,626</u>	<u>14,380,870</u>	<u>5,012,745</u>	<u>44,880,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,056,391</u>	<u>538,781</u>	<u>(652,789)</u>	<u>(10,565)</u>	<u>(450,795)</u>	<u>1,481,023</u>
<u>OTHER FINANCING SOURCES:</u>						
Loan cancellation	-	-	-	-	972,260	972,260
Transfers in	903,000	62,648	2,646,704	-	2,873,000	6,485,352
Transfers out	(2,677,929)	(1,242,141)	-	-	(1,861,859)	(5,781,929)
Total other financing sources (uses)	<u>(1,774,929)</u>	<u>(1,179,493)</u>	<u>2,646,704</u>	<u>-</u>	<u>1,983,401</u>	<u>1,675,683</u>
Net change in fund balances	281,462	(640,712)	1,993,915	(10,565)	1,532,606	3,156,706
Fund balances - beginning of year, as restated	<u>5,524,543</u>	<u>11,274,573</u>	<u>-</u>	<u>564,698</u>	<u>12,824,914</u>	<u>30,188,728</u>
Fund balances - end of year	<u>\$ 5,806,005</u>	<u>\$ 10,633,861</u>	<u>\$ 1,993,915</u>	<u>\$ 554,133</u>	<u>\$ 14,357,520</u>	<u>\$ 33,345,434</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances, total governmental funds	\$	3,156,706
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay		13,847,048
Depreciation expense		(6,177,616)

In the Statement of Activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold. (19,906)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 2,173,858

Cancellation of Federal Community Disaster Loans and related interest.		1,384,618
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Claims		283,974
Compensated absences		(16,000)
Amortization of deferred charges		(46,313)
Accrued expenses		(1,038,179)
Accrued interest expense		39,688

Revenue is reported in the Statement of Activities at the time it is earned, without regard to timeliness of collection:

Accrued revenue for the current year		681,459
Less: accrued revenue for the prior year		(562,645)

Change in net position of governmental activities	\$	13,706,692
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CITY OF SLIDELL, LOUISIANA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>ASSETS:</u>			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable, net of allowances for doubtful accounts in of \$1,285,537 in 2014	936,319	-	936,319
Unbilled receivables	514,561	-	514,561
Other receivables	-	3,843	3,843
Prepaid expenses	4,035	600	4,635
Due from other funds	7,055,521	649,076	7,704,597
Inventory	122,492	37,661	160,153
Due from other governments	106,521	1,302	107,823
Total current assets	<u>8,739,449</u>	<u>692,482</u>	<u>9,431,931</u>
Noncurrent assets:			
Restricted assets:			
Cash and cash equivalents	268,845	-	268,845
Investments	95,980	-	95,980
Capital assets, net of accumulated depreciation	45,008,559	4,902,782	49,911,341
Total noncurrent assets	<u>45,373,384</u>	<u>4,902,782</u>	<u>50,276,166</u>
Total assets	<u>54,112,833</u>	<u>5,595,264</u>	<u>59,708,097</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>			
Deferred charges on refundings	51,112	-	51,112
Total deferred outflows of resources	<u>51,112</u>	<u>-</u>	<u>51,112</u>
<u>LIABILITIES:</u>			
Current liabilities:			
Accounts payable	539,880	5,925	545,805
Interest payable	30,468	-	30,468
Revenue bonds payable	605,675	-	605,675
Certificate of indebtedness	208,000	-	208,000
Compensated absences	11,106	5,958	17,064
Total current liabilities	<u>1,395,129</u>	<u>11,883</u>	<u>1,407,012</u>
Non-current liabilities:			
Bonds payable	2,480,675	-	2,480,675
Certificate of indebtedness	676,000	-	676,000
Compensated absences	309,894	2,042	311,936
OPEB liability	1,715,934	27,901	1,743,835
Total noncurrent liabilities	<u>5,182,503</u>	<u>29,943</u>	<u>5,212,446</u>
Total liabilities	<u>6,577,632</u>	<u>41,826</u>	<u>6,619,458</u>
<u>NET POSITION:</u>			
Net investment in capital assets	41,089,321	4,902,786	45,992,107
Restricted for:			
Debt service	364,825	-	364,825
Unrestricted	6,132,167	650,652	6,782,819
Total net position	<u>\$ 47,586,313</u>	<u>\$ 5,553,438</u>	<u>\$ 53,139,751</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Utilities	Airport	Total
<u>OPERATING REVENUES:</u>			
Charges for services:			
Water	\$ 3,694,230	\$ -	\$ 3,694,230
Sewer	4,113,305	-	4,113,305
Solid waste disposal	1,342,111	-	1,342,111
Connection charges	234,000	-	234,000
Fuel	-	433,424	433,424
Tie down and rental revenues	-	69,108	69,108
Penalties	210,367	630	210,997
Total operating revenues	<u>9,594,013</u>	<u>503,162</u>	<u>10,097,175</u>
<u>OPERATING EXPENSES:</u>			
Salaries, wages and related benefits	3,256,644	106,144	3,362,788
Solid waste disposal	2,319,520	-	2,319,520
Repairs and maintenance	806,027	48,475	854,502
Fuel	-	344,006	344,006
Materials and supplies	242,423	1,978	244,401
Utilities	534,306	6,243	540,549
Gas and oil	139,538	1,549	141,087
Insurance	106,587	7,665	114,252
Office expense	12,052	3,339	15,391
Certification and training	17,452	271	17,723
Other	229,099	19,239	248,338
Depreciation	2,416,040	500,890	2,916,930
Total operating expenses	<u>10,079,688</u>	<u>1,039,799</u>	<u>11,119,487</u>
Operating loss	(485,675)	(536,637)	(1,022,312)
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Ad valorem taxes assessed for sewerage maintenance	946,000	-	946,000
Ad valorem taxes assessed for garbage service	946,000	-	946,000
Interest income	1,027	-	1,027
Interest and fiscal charges	(128,681)	-	(128,681)
Other revenues (expenses)	12,952	1,998	14,950
Total non-operating revenues	<u>1,777,298</u>	<u>1,998</u>	<u>1,779,296</u>
Income (loss) before contributions and transfers	1,291,623	(534,639)	756,984
Capital contributions	1,316,986	2,441	1,319,427
Transfers in	31,225	-	31,225
Transfers out	(672,000)	(62,648)	(734,648)
Change in net position	1,967,834	(594,846)	1,372,988
Net position - beginning of the year, as restated	<u>45,618,479</u>	<u>6,148,284</u>	<u>51,766,763</u>
Net position - end of the year	<u>\$ 47,586,313</u>	<u>\$ 5,553,438</u>	<u>\$ 53,139,751</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Utilities	Airport	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Receipts from customers and users	\$ 9,449,938	\$ 534,583	\$ 9,984,521
Payments for goods and services	(3,277,596)	(399,347)	(3,676,943)
Payments to employees	(2,976,044)	(101,354)	(3,077,398)
Payments for direct and indirect costs	(781,821)	(33,418)	(815,239)
	<u>2,414,477</u>	<u>464</u>	<u>2,414,941</u>
Net cash provided (used) by operating activities			
<u>CASH FLOWS FROM NON-CAPITAL FINANCING</u>			
<u>ACTIVITIES:</u>			
Transfers from other funds	31,225	-	31,225
Transfers to other funds	(672,000)	(62,648)	(734,648)
Advances from other funds	-	83,699	83,699
Advances to other funds	(731,617)	-	(731,617)
Property tax assessed for sewer maintenance	946,000	-	946,000
Property tax assessed for garbage service	946,000	-	946,000
Other income	4,644	-	4,644
Operating grants	-	1,989	1,989
	<u>524,252</u>	<u>23,040</u>	<u>547,292</u>
Net cash provided (used) by non-capital financing activities			
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>			
<u>ACTIVITIES:</u>			
Capital contributions	149,446	37,667	187,113
Acquisition and construction of capital assets	(2,212,980)	(61,180)	(2,274,160)
Principal paid on capital debt	(790,000)	-	(790,000)
Interest paid on capital debt	(124,847)	-	(124,847)
Proceeds from sale of capital assets	8,308	9	8,317
	<u>(2,970,073)</u>	<u>(23,504)</u>	<u>(2,993,577)</u>
Net cash provided (used) by capital and related financing activities			
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Purchase of investments	(193,961)	-	(193,961)
Proceeds from sales and maturities of investments	225,251	-	225,251
Proceeds from interest income	979	-	979
	<u>32,269</u>	<u>-</u>	<u>32,269</u>
Net cash provided by investing activities			
Net decrease in cash and cash equivalents	925	-	925
Cash and cash equivalents, beginning of year	267,920	-	267,920
Cash and cash equivalents, end of year	<u>\$ 268,845</u>	<u>\$ -</u>	<u>\$ 268,845</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Utilities</u>	<u>Airport</u>	<u>Total</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>			
Operating loss	\$ (485,675)	\$ (536,637)	\$ (1,022,312)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	2,416,040	500,890	2,916,930
Change in allowance for doubtful accounts	105,623	-	105,623
Change in asset and liabilities:			
(Increase) decrease in accounts receivable/other assets	(144,075)	5,458	(138,617)
(Increase) decrease in inventory	(5,370)	25,963	20,593
Increase (decrease) in accounts payable	233,334	-	233,334
Increase (decrease) in OPEB liability	294,600	4,790	299,390
Net cash provided (used) by operating activities	<u>\$ 2,414,477</u>	<u>\$ 464</u>	<u>\$ 2,414,941</u>
<u>Noncash investing, capital and financing activities:</u>			
Change in the fair market value of investments	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 3</u>
Bond refunding premiums/discounts	<u>\$ (9,993)</u>	<u>\$ -</u>	<u>\$ (9,993)</u>
Contribution of capital assets from developer	<u>\$ 1,167,540</u>	<u>\$ -</u>	<u>\$ 1,167,540</u>
<u>Reconciliation of cash and cash equivalents to statement of net position:</u>			
Cash and cash equivalents, restricted	<u>\$ 268,845</u>	<u>\$ -</u>	<u>\$ 268,845</u>
Cash and cash equivalents, end of year	<u>\$ 268,845</u>	<u>\$ -</u>	<u>\$ 268,845</u>

The accompanying notes are an integral part of this statement

CITY OF SLIDELL, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

ASSETS

	Agency Funds
Cash and cash equivalents	\$ 1,050
Restricted cash	95,058
Due from General Fund	<u>64,846</u>
Total assets	<u>\$ 160,954</u>

LIABILITIES

Accounts payable	\$ 1,705
Due to local entities	<u>159,249</u>
Total liabilities	<u>\$ 160,954</u>

The accompanying notes are an integral part of this statement

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CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of City of Slidell, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP); these financial statements present the City as the primary government. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The City is a municipal corporation governed by an elected nine-member Council. As required by generally accepted accounting principles, these financial statements present the City as the primary government. Generally accepted accounting principles require the financial statements of the reporting entity to present the primary government (the Council) and its component units. Component units are defined as legally separate organizations for which the elected officials of the primary government (the Council) are financially accountable. The criteria used in determining whether financial accountability exists include the appointment of a voting majority of an organization's governing board, the ability of the primary government to impose its will on that organization or whether there is a potential for the organization to provide specific financial benefits or burdens to the primary government. Fiscal dependency may also play a part in determining financial accountability. Discretely presented component units are presented in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely Presented Component Units

Fremaux Economic Development District, State of Louisiana

The Fremaux Economic Development District, State of Louisiana (the "District") was created by an ordinance of the City Council of the City on March 25, 2008, pursuant to the Louisiana Cooperative Economic Development Law. On the same date, the Council passed ordinance number 3461 levying an additional sales tax of one percent (1%) in the District and passed ordinance number 3462 levying a hotel occupancy tax of one percent (1%) in the District. On December 13, 2011, the City Council adopted ordinance number 3636 to reduce the levy from one percent (1%) to one-half of one percent (0.50%). The District encompasses 89 acres of land where a mixed use development is being constructed in multiple phases. The purpose of the District is to issue sales tax and hotel occupancy increment revenue bonds to reimburse a developer for economic development in the District. The audited financial statements for this entity may be obtained by contacting the Finance Director's Office at 2045 Second Street, Slidell, Louisiana or by phone at (985) 646-4316.

The City of Slidell appoints the District's governing body and can impose its will on the District; however, the District does not meet any of the blending criteria as set forth in GASB No. 61. Accordingly, the District has been determined to be a discretely presented component unit of the City of Slidell.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity - Discretely Presented Component Units (continued)

Camellia Square Economic Development District, State of Louisiana

The Camellia Square Economic Development District, State of Louisiana (the "District") was created by an ordinance of the City Council of the City on September 12, 2012, pursuant to the Louisiana Cooperative Economic Development Law. On May 14, 2013, the Council passed ordinance number 3686 levying an additional sales tax of one percent (1%) in the District. The Council passed ordinance number 3487 levying a hotel occupancy tax of two percent (2%). The purpose of the District is to reimburse a developer for economic development (a shopping center and hotel) within the District. Fund financial statements are included in the Other Supplementary Information section of this report for the Camellia Square Economic Development District. Separate financials are not issued for this district since the City of Slidell performs administrative and accounting services for the District.

The City of Slidell appoints the District's governing body and can impose its will on the District; however, the District does not meet any of the blending criteria as set forth in GASB No. 61. Accordingly, the District has been determined to be a discretely presented component unit of the City of Slidell.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the City. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements (except agency funds which do not have a measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The ***General Fund*** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Sales Tax Fund*** accounts for the bond proceeds and subsequent debt service and expenditures funded by the City's one percent 1963 sales and use tax and a portion of one percent 1987 sales and use tax, which are primarily dedicated for public improvements.

The ***Public Safety Fund*** accounts for the City's police department that is primarily funded by that portion of the 1987 one percent sales and use tax, which is dedicated to public safety.

The ***Grants and Donations Fund*** accounts for federal and other grant programs not accounted for elsewhere.

The City reports the following major proprietary funds:

The ***Utility Fund*** accounts for the operations of the water and sewerage systems and the solid waste disposal system.

The ***Airport Fund*** accounts for operations of the Slidell Municipal Airport.

Additionally, the City reports the following fund type:

An ***Agency fund*** is used to account for the activities of the Animal Assistance League of Slidell. This fund accounts for assets held by the City in a fiduciary capacity for individuals, organizations and others.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Utility Fund and Airport Fund are charges to customers for services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Accounting

Budget Policies - The Mayor and City Council approve, prior to the beginning of each year, an annual operating budget prepared on the modified accrual basis for general governmental activities, except state supplemental pay (\$420,140 in 2014) to police officers is not treated as budgeted revenues and expenditures of the Public Safety Fund. Payments under capital leases are treated as expenditures in the year of payment for budgetary purposes. At the end of the fiscal year, unexpended and unencumbered appropriations of these funds automatically lapse with the exception of capital outlay appropriations, which lapse after three fiscal years.

During the year, the Mayor may authorize transfers between line items within a department without Council approval. Upon request by the Mayor, the Council may amend departmental or fund level appropriations during the year. The budget data reflected in the Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Budgetary Basis, (see pages 59 to 64 and 69 to 71) includes the effect of such appropriation amendments approved by the City Council during the current year. These amendments may reappropriate committed funds rolling forward from the previous year for various capital projects as well as amend the distributions of operating funds already appropriated. The Cultural affairs department expenditures exceeded budgetary amounts by \$1,058 for the year ended June 30, 2014.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit of the City. For the purpose of the proprietary funds Statement of Cash Flows, all highly liquid investments (including certificates of deposit) with maturity of three months or less when purchased are considered to be cash equivalents.

The City is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. State Law R.S. 39:1225 provides that the amount of the security shall at all times be equal to 100% of the amount on deposit to the credit of each depositing authority, except that portion of the deposits insured by United States.

Investments

State Law R.S. 33:2955 allows the investment in direct United States Treasury obligations; bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by federal agencies or U.S. government instrumentalities, which are federally sponsored; direct security repurchase agreements of any federal book-entry-only securities guaranteed by the U.S. government; time certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana; savings accounts or shares of certain savings and loan associations and savings banks; certain accounts of federally or state chartered credit unions, and certain mutual or trust fund institutions.

Investments are stated at fair value in accordance with the Governmental Accounting Standards Board Statement (GASB) No. 31 *“Accounting and Financial Reporting for Certain Investments and for External Investment Pools”*.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds”. Short-term interfund loans are reported as “interfund receivables and payables”. Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds”. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

The permanent reallocation of resources between funds of the City are classified as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated. Interfund services provided and used are not eliminated in the process of consolidation.

Payment in Lieu of Taxes

Costs associated with general governmental operations of the City are initially recorded in the General Fund. A portion of these costs is applicable to the administration and operation of the Sales Tax and Utility Funds.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Payment in Lieu of Taxes (continued)

For the Sales Tax Fund, in lieu of an administrative cost allocation, the City budgets a transfer of a portion of the sales tax revenues to the General Fund.

For the Utility Fund, the payment in lieu of taxes is made to the General Fund based on rates the General Fund would have charged a third party for the services provided. The rates are determined based on the current franchise and property millage tax rates.

Inventories and Prepaids

Inventories are valued at cost using the average cost method. Inventories in the governmental funds consist of materials and supplies held for consumption and are accounted for using the consumption method whereby individual items are recorded as expenditures when they are consumed. Inventories in the governmental funds are equally offset by non-spendable fund balance, which indicates that although inventories are a component of net current assets, they do not constitute "available spendable resources." Inventories in the proprietary funds consist of chemicals, repair materials, and spare parts. These inventories are also accounted for using the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Restricted assets on the Balance Sheet of the Sales Tax Fund of \$1,090,827 represent amounts which are required to be maintained pursuant to the ordinance relating to the Series 2003 Public Improvement Refunding Bonds (bond sinking fund and reserve fund, see Note 5) and required to be held to satisfy various bond covenants. A corresponding amount of fund balance is restricted as these monies are legally segregated for a specific future use.

Restricted investments on the Balance Sheet of the General Fund represent a certificate of deposit of \$300,000 required to be maintained and held by the Workers Compensation Fund (a State of Louisiana agency) as collateral against the City's self-insured portion of workers' compensation claims. A corresponding amount of fund balance is restricted as these monies are legally segregated for a specific future use. Restricted cash on the Balance Sheet of the General Fund totals \$1,292,179, which represents cash received through grants and donations that are restricted for future activity.

Restricted assets on the balance sheet of the Utility Fund represent funds which are required to be maintained pursuant to ordinances relating to the Utilities Revenue Bonds and Certificates of Indebtedness.

Restricted cash on the Balance Sheet of the Bond Improvement Fund of \$4,145,457 represents unspent bond proceeds and interest earnings related to the Series 2010 General Obligation Bond. A corresponding amount of fund balance is restricted as these monies are legally segregated for a specific future use.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include land and land improvements, buildings, equipment, and infrastructure assets (streets, roads, bridges, canals, and sewer and drainage systems) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major additions are capitalized as projects are constructed.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized.

Depreciation on all capital assets, excluding land and construction in progress, is calculated on the straight-line method over the following estimated useful lives:

Land improvements	7 to 20 years
Buildings and building improvements	20 to 50 years
Street system	10 to 20 years
Drainage system	20 years
Office equipment	4 to 10 years
Machinery and equipment	10 years
Vehicles	4 years
Bridges	25 years
Water system	20 to 50 years
Sewerage system	10 to 50 years

Deferred Outflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category, which is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Vacation and sick leave benefits are based on the number of years of service and may be carried forward to subsequent years. However, upon retirement or termination 30 days of earned vacation will be paid to City employees. In addition, 30 days of earned sick leave will be paid to City employees only upon retirement. Upon retirement unused and unpaid sick leave and vacation leave are converted to time served for retirement credit. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements.

In the fund financial statements, the governmental funds report a liability for compensated absences for the amount that has matured as a result of employee resignations and retirements.

Compensated absences are liquidated by the funds in which the employees' salaries were reported. In prior years, the funds which have typically been used to liquidate compensated absences have been the General, Sales Tax, Public Safety and Utility Funds.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Ad Valorem Taxes

Ad valorem taxes are levied based on a calendar year. The tax is due and becomes an enforceable lien on the property when the tax bills are mailed in early December. Although the bill states the property taxes are due on December 31st, penalties are assessed for any payment not received by January 15th. Taxes are billed and collected by the St. Tammany Sheriff's Office, which receives a fee per property tax bill for its services. Property tax revenues are recognized when levied to the extent that they are determined to be currently collectible. Any unpaid taxes are collected in connection with a tax sale held in June.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

In the government-wide financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. Restricted for other purposes on the Statement of Net Position consist of grant related cash, workers compensation investments, and Economic Development District.
- c. Unrestricted net position - all other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Governmental fund equity is classified as fund balance. Fund balance is further classified as non-spendable, restricted, committed, assigned, and unassigned. The City Council, as the highest level of decision-making authority, can establish, modify or rescind a fund balance commitment by ordinance at a public City Council meeting. For assigned fund balance the City's Council authorizes the director of finance to assign amounts for a specific purpose in the fund balance policy adopted by Resolution R11-15 of the City Council.

When both restricted and unrestricted fund balances are available for use, it is the City's policy to use restricted resources first, then unrestricted as needed. When committed, assigned or unassigned fund balances are available for use it is the City's policy to use committed resources first, then assigned resources and unassigned resources as they are needed.

Minimum Unrestricted Fund Balance Policy

Unrestricted fund balance is defined as total fund balance less non-spendable fund balance less restricted fund balance. The City has adopted the following minimum unrestricted fund balance policy:

General fund – The minimum unrestricted fund balance shall be 25% of operating revenue per the last audited financial statements of the City.

Special revenue funds primarily funded by sales tax – The minimum unrestricted fund balance shall be 25% of operating revenue per the last audited financial statements of the City plus funds committed to capital outlay.

DISA Building Fund – Minimum unrestricted fund balance shall be 60% of operating expenditures per the last audited financial statements of the City plus funds committed to capital outlay.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Minimum Unrestricted Fund Balance Policy (continued)

Replenishment – Should the minimum fund balance fall below the targeted levels defined above, the Mayor shall propose a plan to the Council for their approval to restore the fund balance to the target level within 24 months. If restoration to the minimum fund balance target cannot be accomplished within such a period without severe hardship to the City, the Council will establish a different time frame.

Encumbrances

The City uses encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Appropriations for operating expenditures lapse at the end of the year but appropriations for capital expenditures are carried forward. Unfilled purchase orders encumbering operating budgets are cancelled and they are only reissued upon reauthorization. Appropriations for capital expenditures are carried forward for three years.

Individual Fund Disclosure

For the year ended June 30, 2014, none of the City's funds had expenditures in excess of appropriations.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions. Those estimates affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements. They may also affect the reported amounts of revenues and expenses of proprietary funds and the government-wide financial statements during the reporting period. Actual results could differ from these estimates.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Subsequent Events

Subsequent events have been evaluated through December 12, 2014, the date the financial statements were available to be issued.

(2) **CASH AND INVESTMENTS**

Deposits

The City had the following cash as of June 30, 2014:

	<u>Total</u>
<u>Governmental funds:</u>	
Unrestricted:	
Petty cash	\$ 1,600
Demand deposits	30,169,658
Restricted: Demand deposits	5,888,597
<u>Proprietary funds:</u>	
Restricted: Demand deposits	268,845
<u>Fiduciary Funds:</u>	
Unrestricted: Petty cash	1,050
Restricted: Demand deposits	<u>95,058</u>
	<u><u>\$ 36,424,808</u></u>

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits might not be recovered. The City's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2014, the City's demand deposit bank balances of \$38,718,541 were entirely secured by federal deposit insurance and pledged securities held by the City's agent in the City's name.

Investments

Custodial credit risk is defined as the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investment. The City is not exposed to custodial credit risk at June 30, 2014 since investments are held in the name of the City. The City's investment policy conforms to state law, as described in Note 1.

Concentration of credit risk relates to the amount of investments in any one entity. At June 30, 2014, the City had no investments in any one entity which exceeded five percent of total investments, except obligations of federally sponsored entities, which are implicitly guaranteed by the federal government.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(2) CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

Interest rate risk is defined as the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy conforms to state law, which includes a policy that limits investment maturities to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity. This reduces exposure to fair value losses arising from increasing interest rates.

As of June 30, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. Agencies	\$ 3,236,321	\$ 3,236,321	\$ -	\$ -	\$ -
Certificates of Deposit	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 3,536,321</u>	<u>\$ 3,536,321</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit risk is defined as the risk that an insurer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2014, the City's investments are in obligations of or guaranteed by the U.S. government. The City's investment policy minimizes credit risk by limiting its investments to those which are either obligations of, guaranteed by, or collateralized by, the U.S government.

(3) RETIREMENT PLANS

The City provides pension benefits for all of its full-time employees through two separate cost-sharing, multiple-employer public employee retirement systems. All full-time City employees, except police, are members in the Municipal Employees' Retirement System of the State of Louisiana (the Municipal System). All full-time police are members of the Municipal and State Police Retirement System of Louisiana (the Police System).

The City's total payroll cost, excluding benefits, was approximately \$11,990,000 for fiscal year 2014. Also, police officers receive on-behalf payments of State supplemental pay, which totaled \$420,140 for fiscal year 2014. These on-behalf payments are recognized as revenues and expenditures in the Public Safety Fund.

Contributions to the retirement systems were based on participating full-time employee earnings, which were approximately as follows for fiscal 2014:

Municipal System	\$ 5,292,000
Police System	<u>3,820,000</u>
Total	<u>\$ 9,112,000</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(3) RETIREMENT PLANS (CONTINUED)

Municipal employees participating in the Municipal System are entitled to a retirement benefit at or after age 60 with 10 years of creditable service or at any age with 25 years of creditable service. The retirement benefit is generally three percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by state legislation. The Municipal System issues a publicly available financial report that includes the financial statements and required supplementary information for the Municipal System. That report may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Blvd., Baton Rouge, Louisiana 70809.

Police participating in the Police System for at least one year are eligible for normal retirement at or after age 50 with 20 years of creditable service, age 55 with 12 years creditable service or at any age with 25 years of creditable service. The retirement benefit is generally three and one-third percent of the members' average final compensation multiplied by their years of creditable service (not to exceed 100% of average final compensation). The system also provides death and disability benefits as well as a deferred retirement option. Benefits are established by State legislation. The Police System issues a publicly available financial report that includes the financial statements and required supplementary information for the Police System. That report may be obtained by writing to the Municipal and State Police Retirement System of Louisiana, 8401 United Plaza Building, Room 235, Baton Rouge, Louisiana 70809.

State legislation has established the obligations of the City and its employees for contributions at 18.75% and 9.50% of employee earnings, respectively, for the Municipal System, as well as 31% and 10.00% of employee earnings, respectively, for the Police System. Prior to 2014, the contributions made by the City were greater than its obligations established by the State legislature in order to reduce employee contributions accordingly. The City's 2013 contributions to the Municipal System consisted of 26.25% of participating employee earnings for employees hired before June 30, 2011 and 17.00% of employee earnings for employees hired after June 30, 2011. The City's 2012 contributions to the Police System were 41% of the participating policemen's wages for employees hired before June 30, 2011 and 31% of the participating policemen's wages for employees hired after June 30, 2011. The City's contributions to the Municipal System for the years ending June 30, 2014, 2013 and 2012 were approximately \$992,000, \$1,414,000 and \$1,532,000, respectively, equal to the required contribution for each year. The City's contributions to the Police System for the years ending June 30, 2014, 2013 and 2012 were approximately \$1,184,000, \$1,629,000 and \$1,526,000, respectively, equal to the required contribution for each year.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(4) DEDICATED REVENUES

The City collects a two percent sales and use tax pursuant to two separate one percent tax propositions approved by the voters in November 1962 (fiscal 1963) and September 1986 (fiscal 1987). These revenues are dedicated for specific purposes and are accounted for in two separate Special Revenue Funds – Sales Tax Fund and Public Safety Fund.

Dedication of the 1963 tax, as amended, requires one half of all proceeds of the tax to be used first for debt service requirements and the costs for bonds issued for the purpose of constructing, acquiring, or improving lands, buildings or other works of public improvement for the City, including equipment and furnishings thereof, title to which shall be in the public's name. The remaining dedicated revenue is to be used for constructing, acquiring or improving the aforementioned capital improvements. The proposition also provides for one half of the 1963 sales and use tax revenues to be undedicated. These undedicated revenues are available for general operations. Proceeds of the 1963 sales and use tax serve as security for outstanding sales tax revenue bonds (see Note 5).

All of the proceeds of the 1987 tax, after paying the reasonable and necessary expenses of collecting and administering the tax, were dedicated to the purchasing, constructing, acquiring, extending, improving, maintaining, and/or operating public facilities, public works or capital improvements and paying the capital costs of police protection and public safety for the City or any sites, equipment and furnishings thereof. According to the voter-approved proposition, the City is further authorized to fund the proceeds of the tax into bonds for the above-stated capital purposes.

In a tax proposition approved by voters in December 2012, the 1987 tax was rededicated to include all the lawful purposes approved in September 1986, and beginning, July 1, 2013, for paying the operational cost of police protection and public safety.

An inter-governmental agreement (known as the Sales Tax Enhancement Plan) was executed between the City and Sales Tax District #3 of St. Tammany Parish. The agreement targets all undeveloped commercial properties (within St. Tammany Parish) annexed into the City after November 4, 1986 and stipulates that the two percent sales and use tax derived from the subsequent development of such properties would be split equally (after the City recovered approximately \$1,386,000 of costs relating to the extension of services to two retail developments) between the City and Sales Tax District #3 of St. Tammany Parish. The initial agreement had a twenty-year life, and expired December 1, 2006. The City entered into negotiations with St. Tammany Parish to renew this agreement and on October 24, 2006, an ordinance was passed renewing the inter-governmental agreement between the City and Sales Tax District #3 of St. Tammany Parish, with a few minor changes. The agreement has a twenty-five year life, expiring December 1, 2031.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(5) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2014:

	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014	Due Within One Year
<u>Governmental Activities:</u>					
General Obligation Bonds	\$ 11,030,000	\$ -	\$ (1,090,000)	\$ 9,940,000	\$ 1,140,000
Issuance premiums	61,101	-	(5,256)	55,845	5,256
Sales Tax Revenue Bonds	2,365,000	-	(560,000)	1,805,000	580,000
Issuance premiums	52,471	-	(13,118)	39,353	13,118
Compensated absences (Note 1)	1,813,000	148,949	(132,949)	1,829,000	132,949
Capital Lease Obligation	163,757	-	(163,757)	-	-
LCDA Loan	1,877,600	-	(360,100)	1,517,500	379,600
CDL Loan	1,384,618	-	(1,384,618)	-	-
Net OPEB Obligation	5,951,113	1,038,178	-	6,989,291	-
Claims and judgments	2,279,481	5,168,869	(5,452,843)	1,995,507	1,227,357
Total governmental activities	26,978,141	6,355,996	(9,162,641)	24,171,496	3,478,280
<u>Business-Type Activities</u>					
Utility Revenue Bonds	3,675,000	-	(590,000)	3,085,000	605,000
Issuance premiums	2,025	-	(675)	1,350	675
Certificates of indebtedness	1,084,000	-	(200,000)	884,000	208,000
Net OPEB Obligation	1,444,445	299,390	-	1,743,835	-
Compensated absences (Note 1)	350,000	(3,936)	(17,064)	329,000	17,064
Total business-type activities	6,555,470	295,454	(807,739)	6,043,185	830,739
Total governmental and business-type activities	\$ 33,533,611	\$ 6,651,450	\$ (9,970,380)	\$ 30,214,681	\$ 4,309,019

GASB Statement No. 65 requires current refundings and advance refundings resulting in defeasance of debt reported by governmental activities, business-type activities, and proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt be reported as a deferred outflow of resources or a deferred inflow of resources. In prior years, this amount was netted with debt on the government-wide financial statements.

	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014
<u>Governmental Activities:</u>				
General Obligation Bonds: deferred charges on refunding	\$ (32,235)	\$ -	\$ 10,744	\$ (21,491)
Sales Tax Revenue Bonds: deferred charges on refunding	(215,779)	-	53,943	(161,836)
Total governmental activities	(248,014)	-	64,687	(183,327)
<u>Business-Type Activities</u>				
Utility Revenue Bonds: deferred charges on refunding	(61,780)	-	10,668	(51,112)
Total business-type activities	(61,780)	-	10,668	(51,112)
Total governmental and business-type activities	\$ (309,794)	\$ -	\$ 75,355	\$ (234,439)

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(5) LONG-TERM DEBT (CONTINUED)

Details on the City's long-term debt as of June 30, 2014 are as follows:

General Obligation Bonds secured by ad valorem taxes:

\$9,950,000 General Obligation Bonds, Series 2010, bearing interest from 2.5% to 4.125%, payable semi-annually through 2029, streets, bridges and drainage.	\$ 8,480,000
\$6,260,000 Refunding Bonds, Series 2006, bearing interest from 3.75% to 3.85%, payable semi-annually through 2016, drainage improvements.	<u>1,460,000</u>
	<u>\$ 9,940,000</u>

Sales Tax Bonds secured by sales and use taxes:

\$13,360,000 Public Improvement Refunding Bonds, Series 2003, secured by a lien and irrevocable pledge of the proceeds of the City's one percent sales and use tax levied in 1986, bearing interest from 3.4% to 3.7% payable semi-annually through 2017, street improvements.	<u>\$ 1,805,000</u>
\$5,000,000 Louisiana Community Development Authority loan ("LCDA"), Series 1991, secured by a pledge of all lawfully available funds, bearing interest at a variable rate (1.57% at 6/30/14), payable monthly through 2018, capital improvements.	<u>\$ 1,517,500</u>
\$1,971,000 Certificates of Indebtedness, Series 2008, secured by a pledge of all lawfully available funds, bearing interest at 3.44%, payable semi-annually through 2018, automated meter reading system.	<u>\$ 884,000</u>

Utility Revenue Bonds, secured by revenues of the Utility Fund:

\$930,000 Utility Revenue Refunding Bonds, Series 2010, bearing interest from 2.5% to 3.0%, payable semi-annually through 2016, improvements to water system.	\$ 280,000
\$3,625,000 Utility Revenue Refunding Bonds, Series 2012, bearing interest at 2.34%, payable semi-annually through 2024, improvements to waste water treatment plant and sewer system.	<u>2,805,000</u>
	<u>\$ 3,085,000</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(5) LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for general obligation bonds as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 1,140,000	\$ 372,744
2016	1,195,000	335,369
2017	455,000	293,144
2018	475,000	279,494
2019	490,000	262,869
2020-2024	2,775,000	1,024,506
2025-2029	<u>3,410,000</u>	<u>425,856</u>
	<u>\$ 9,940,000</u>	<u>\$ 2,993,982</u>

The annual requirements to maturity for the certificates of indebtedness as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 208,000	\$ 30,409
2016	216,000	23,254
2017	225,000	15,824
2018	<u>235,000</u>	<u>8,084</u>
	<u>\$ 884,000</u>	<u>\$ 77,571</u>

The annual requirements to maturity for sales tax bonds as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 580,000	\$ 53,985
2016	600,000	33,625
2017	<u>625,000</u>	<u>11,562</u>
	<u>\$ 1,805,000</u>	<u>\$ 99,172</u>

The annual requirements to maturity for the Louisiana Community Development Authority ("LCDA") loan as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 379,600	\$ 21,252
2016	396,600	15,122
2017	414,100	8,735
2018	<u>327,200</u>	<u>2,201</u>
	<u>\$ 1,517,500</u>	<u>\$ 47,310</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(5) LONG-TERM DEBT (CONTINUED)

The annual requirements to maturity for utility revenue bonds as of June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 605,000	\$ 73,031
2016	510,000	58,578
2017	425,000	46,059
2018	210,000	36,122
2019	205,000	31,212
2020-2024	<u>1,130,000</u>	<u>80,193</u>
	<u>\$ 3,085,000</u>	<u>\$ 325,195</u>

At June 30, 2014, the following amounts are considered available for the retirement of general long-term debt:

Sales Tax Fund	\$ 1,090,826
Debt Service Fund	<u>2,587,133</u>
	<u>\$ 3,677,959</u>

In accordance with the Revised Statutes of the State of Louisiana, aggregate debt payable solely from ad valorem taxes for each specific purpose shall not exceed 35% of the total assessed valuation of taxable property. As of June 30, 2014, the City was in compliance with these statutes.

Pursuant to the Revenue Bond Resolution and the 2003 series Public Improvement Bond ordinances, and Utility Revenue Bonds, 2010 and 2012, certain assets of the Special Revenue and Enterprise Funds are restricted (see Note 1). As of June 30, 2014, the City was in substantial compliance with the restrictive covenants of its debt agreements.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions, including federal arbitrage regulations.

In prior years, the City defeased certain general obligation and sales tax revenue bonds by placing the proceeds of the new refunding bonds in an irrevocable trust escrow account to provide for the future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Statement of Net Position. At June 30, 2014, \$3,370,000 in general obligation bonds, sales tax revenue bonds and utility revenue bonds outstanding are considered defeased.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(5) LONG-TERM DEBT (CONTINUED)

In 2014, the U.S. Department of Homeland Security approved the full cancellation of the \$2,000,000 Community Disaster Loan given to the City in 2006 to fund operating costs following Hurricane Katrina. The City received \$972,260 for principal and interest paid prior to cancellation and recognized that amount as other financing sources in the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds for the year ended June 30, 2014. In the Government-Wide Statement of Activities for the year ended June 30, 2014, the City recognized general revenue of \$2,356,878; \$1,384,618 for outstanding principal as of the date of cancellation plus \$972,260 for principal and interest paid prior to cancellation.

The City was obligated under one lease accounted for as a capital lease in governmental activity long-term debt and governmental activity capital assets. This lease was for police communications equipment and was paid in full during the year. The assets acquired through this capital lease are as follows:

	<u>Governmental Activities</u>
Office equipment	\$ 1,331,065
Less: accumulated depreciation	<u>(1,331,065)</u>
Total	<u>\$ -</u>

Interest costs incurred and charged to expense during the year ended June 30, 2014 for all business type activities was \$127,079.

(6) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds at June 30, 2014 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Sales Tax Fund	General Fund	\$ 8,422,607
Public Safety Fund	General Fund	1,987,020
General Fund	Other Governmental Funds	197
General Fund	Grants and Donations Fund	441,439
Other Governmental Funds	General Fund	8,151,246
Utility Fund	General Fund	7,055,521
Airport Fund	General Fund	649,076
Agency Funds	General Fund	<u>64,846</u>
Total		<u>\$ 26,771,952</u>

The above due to/from other funds were short-term receivables or payables resulting from the normal course of the City's operations.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(6) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

A summary of the interfund transfers at June 30, 2014 are as follows:

Transfers In:						
	General Fund	Public Safety Fund	Sales Tax Fund	Other Governmental	Utility Fund	Total
<u>Transfers Out:</u>						
General Fund	\$ -	\$ 2,646,704	\$ -	\$ -	\$ 31,225	\$ 2,677,929
Sales Tax Fund	231,000	-	-	1,011,141	-	1,242,141
Other governmental	-	-	-	1,861,859	-	1,861,859
Utility Fund	672,000	-	-	-	-	672,000
Airport Fund	-	-	62,648	-	-	62,648
Totals	<u>\$ 903,000</u>	<u>\$ 2,646,704</u>	<u>\$ 62,648</u>	<u>\$ 2,873,000</u>	<u>\$ 31,225</u>	<u>\$ 6,516,577</u>

Transfers are primarily used to move funds from:

- The Sales Tax Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.
- The General Fund to the Utility Fund to satisfy bond covenants to provide \$25 for maintenance of each fire hydrant.
- The General Fund to the Public Safety Fund to finance public safety in accordance with budgetary authorization.
- The Utility Fund to the General Fund to satisfy payments in lieu of tax (see Note 1).
- The Airport Fund to the Sales Tax Fund to return unspent capital appropriations funded by the sales tax fund in prior years.

(7) ALLOWANCE FOR DOUBTFUL ACCOUNTS

The water, sewerage and garbage receivable balance of \$936,319 in the Utility Fund is net of an allowance for doubtful accounts of \$1,285,537.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(8) CAPITAL ASSETS

A summary of changes in governmental fund type fixed assets for the year ended June 30, 2014 is as follows:

	<u>6/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2014</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 20,322,907	\$ 1,520,000	\$ -	\$ -	\$ 21,842,907
Construction-in-progress	<u>8,675,584</u>	<u>8,601,622</u>	<u>-</u>	<u>(6,954,004)</u>	<u>10,323,202</u>
Total capital assets not being depreciated	<u>28,998,491</u>	<u>10,121,622</u>	<u>-</u>	<u>(6,954,004)</u>	<u>32,166,109</u>
Capital assets being depreciated:					
Buildings and building improvements	48,207,829	179,865	-	-	48,387,694
Land improvements	7,822,654	627,541	-	520,847	8,971,042
Street system	64,572,712	857,298	-	6,433,157	71,863,167
Drainage system	42,027,595	852,788	-	-	42,880,383
Office equipment	6,152,715	57,663	(45,512)	-	6,164,866
Machinery and equipment	5,745,650	302,520	(60,012)	-	5,988,158
Vehicles	6,177,541	847,751	(689,142)	-	6,336,150
Bridges	<u>540,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,580</u>
Total capital assets being depreciated	<u>181,247,276</u>	<u>3,725,426</u>	<u>(794,666)</u>	<u>6,954,004</u>	<u>191,132,040</u>
Less accumulated depreciation for:					
Buildings and building improvements	11,273,210	1,062,572	-	-	12,335,782
Land improvements	6,418,425	251,782	-	-	6,670,207
Street system	44,366,735	1,965,606	-	-	46,332,341
Drainage system	26,253,095	1,504,666	-	-	27,757,761
Office equipment	4,598,516	597,587	(45,512)	-	5,150,591
Machinery and equipment	4,436,848	339,567	(60,012)	-	4,716,403
Vehicles	5,261,622	441,893	(669,236)	-	5,034,279
Bridges	<u>394,499</u>	<u>13,943</u>	<u>-</u>	<u>-</u>	<u>408,442</u>
Total accumulated depreciation	<u>103,002,950</u>	<u>6,177,616</u>	<u>(774,760)</u>	<u>-</u>	<u>108,405,806</u>
Total capital assets being depreciated, net	<u>78,244,326</u>	<u>(2,452,190)</u>	<u>(19,906)</u>	<u>6,954,004</u>	<u>82,726,234</u>
Governmental activities capital assets, net	<u>\$107,242,817</u>	<u>\$ 7,669,432</u>	<u>\$ (19,906)</u>	<u>\$ -</u>	<u>\$114,892,343</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(8) CAPITAL ASSETS (CONTINUED)

Construction-in-progress primarily consists of street and drainage system improvements which are financed by sales tax revenues and grants.

A summary of changes in proprietary fund type fixed assets as of June 30, 2014 follows:

	<u>6/30/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Completed Construction</u>	<u>6/30/2014</u>
Business-Type Activities:					
Capital assets not being depreciated:					
Land	\$ 75,658	\$ -	\$ -	\$ -	\$ 75,658
Construction-in-progress	<u>246,686</u>	<u>720,415</u>	<u>-</u>	<u>(186,747)</u>	<u>780,354</u>
Total capital assets not being depreciated	<u>322,344</u>	<u>720,415</u>	<u>-</u>	<u>(186,747)</u>	<u>856,012</u>
Capital assets being depreciated:					
Buildings and building improvements	1,542,190	-	-	-	1,542,190
Land improvements	9,951,719	-	-	-	9,951,719
Water system	24,157,432	771,790	-	-	24,929,222
Sewerage system	50,661,473	1,473,045	-	139,916	52,274,434
Office equipment	410,446	23,092	(2,605)	-	430,933
Vehicles	1,285,502	76,291	(12,672)	-	1,349,121
Machinery and equipment	<u>5,200,121</u>	<u>250,567</u>	<u>(111,813)</u>	<u>46,831</u>	<u>5,385,706</u>
Total capital assets being depreciated	<u>93,208,883</u>	<u>2,594,785</u>	<u>(127,090)</u>	<u>186,747</u>	<u>95,863,325</u>
Less accumulated depreciation for:					
Buildings and building improvements	519,497	60,212	-	-	579,709
Land improvements	5,271,664	441,905	-	-	5,713,569
Water system	14,921,513	442,119	-	-	15,363,632
Sewerage system	19,550,459	1,485,755	-	-	21,036,214
Office equipment	265,402	73,807	(2,605)	-	336,604
Vehicles	1,209,962	38,178	(12,672)	-	1,235,468
Machinery and equipment	<u>2,277,634</u>	<u>374,954</u>	<u>(109,788)</u>	<u>-</u>	<u>2,542,800</u>
Total accumulated depreciation	<u>44,016,131</u>	<u>2,916,930</u>	<u>(125,065)</u>	<u>-</u>	<u>46,807,996</u>
Total capital assets being depreciated, net	<u>49,192,752</u>	<u>(322,145)</u>	<u>(2,025)</u>	<u>186,747</u>	<u>49,055,329</u>
Business-Type Activities capital assets, net	<u>\$ 49,515,096</u>	<u>\$ 398,270</u>	<u>\$ (2,025)</u>	<u>\$ -</u>	<u>\$ 49,911,341</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(8) CAPITAL ASSETS (CONTINUED)

Construction-in-progress primarily consists of sewer improvements.

Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities:

General government	\$ 693,931
Public works	4,129,562
Public safety	745,952
Recreation and culture	585,808
Judicial system	<u>22,363</u>

Total depreciation expense – governmental activities	\$ <u>6,177,616</u>
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Business-type activities:

Utilities	\$ 2,416,040
Airport	<u>500,890</u>

Total depreciation expense – business-type activities	\$ <u>2,916,930</u>
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(9) COMMITMENTS AND ENCUMBRANCES

The local electric company owns and leases to the City certain street lighting facilities. In 1986, the City renegotiated the lease agreement, which expired in December 2001 but automatically renews for one-year intervals until cancelled. The City has no intention of canceling this lease at this time. The total amount paid by the City for street lighting under this agreement was approximately \$755,000 for the year ended June 30, 2014.

The City has a contract with a sanitation disposal company to provide garbage collection services to City residents. In January 2011, the City resumed a recycling program with this sanitation disposal company. This contract, which expired June 30, 2014, required the City to pay a monthly fee of \$16.35 per household for garbage collection and \$2.96 for recycling service. The City in turn bills a monthly fee of approximately \$8.99 per household for garbage collection and \$2.96 per household for recycling and collects a 4.00 mill property tax for garbage collection in accordance with the voter-approved proposition. The City paid approximately \$1,860,000 for garbage collection and \$336,000 for recycling under this contract during the year ended June 30, 2014.

On July 1, 2014, the City signed a new contract with a sanitation disposal company to provide garbage collection and recycling service to City residents. This contract requires the City to pay a monthly fee of \$16.99 per household for garbage collection and \$1.82 per household for recycling service.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(9) COMMITMENTS AND ENCUMBRANCES (CONTINUED)

Appropriations in governmental funds are encumbered upon issuance of purchase orders for goods and services. Unfilled purchase orders encumbering operating budgets are cancelled and they are only reissued upon reauthorization. Appropriations for capital expenditures are carried forward three years. Encumbrances include the following contractual commitments by fund as of June 30, 2014:

<u>Fund</u>	<u>Amount</u>
Sales tax fund	\$ 480,911
Grants and donations fund	909,512
Other non-major governmental funds	<u>652,620</u>
	<u>\$ 2,043,043</u>

(10) CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds.

The City is a defendant in a number of claims and lawsuits resulting principally from personal injury, property damage, and construction claims. The City Attorney and the outside administrator have reviewed these claims and lawsuits in order to evaluate the likelihood of an unfavorable outcome to the City and to arrive at an estimate, if any, of the amount or range of potential loss to the City. As a result of such review, the various claims and lawsuits have been categorized into "probable," "reasonably possible," and "remote" contingencies, as defined in National Council on Governmental Accounting Statement No. 4 for Claims and Judgments. The City's "reasonably possible" loss contingencies at June 30, 2014 was approximately \$100,000. As of June 30, 2014, the amount of "probable" loss contingencies accrued in the accompanying financial statements totaled approximately \$440,000.

(11) RISK MANAGEMENT

The City is exposed to various risks of loss related to thefts of, damage to, and destruction of assets, errors and omissions, negligent acts of law enforcement officials and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims did not exceed insurance coverage for fiscal years ended June 30, 2014, 2013 and 2012.

The City is also self-insured with excess coverage in these areas: (a) workers' compensation with \$550,000 retention and statutory limit on coverage, (b) general liability with \$100,000 retention per occurrence and a \$2,000,000 limit per occurrence and \$2,000,000 aggregate limit on coverage, (c) auto liability with \$100,000 retention per accident and a \$2,000,000 per occurrence. The City also has an aggregate limit of \$3,000,000 for workers' compensation claims and an annual stop loss of \$600,000 for general liability and auto liability combined. The City is self-insured for employee medical insurance with \$80,000 retention per individual and an aggregate stop loss of \$4,271,436.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(11) RISK MANAGEMENT (CONTINUED)

The City uses the General Fund to account for self-insured risk financing activities. The liability for claims in excess of amounts payable with expendable available resources is recorded in the governmental activities in the Statement of Net Position. The Sales Tax Fund and the Enterprise Funds make contributions to the General Fund for claims. Estimated losses from claims are recorded when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The expenditure and liability includes an amount for claims that have been incurred but not yet reported. The liability for claims is based on the estimated ultimate cost of settling the claims using past experience adjusted for current trends.

Changes in the claims liability amounts are as follows:

	Automobile/ General Liability	Workers Compensation	Employee Health/ Dental	Total
Balance, June 30, 2012	\$ 563,594	\$ 657,808	\$ 893,510	\$ 2,114,912
Claims incurred	30,727	73,550	5,167,518	5,271,795
Changes in estimates	293,570	146,278	-	439,848
Claim payments	<u>(122,307)</u>	<u>(229,600)</u>	<u>(5,195,167)</u>	<u>(5,547,074)</u>
Balance, June 30, 2013	765,584	648,036	865,861	2,279,481
Claims incurred	180,504	275,225	4,713,140	5,168,869
Changes in estimates	(212,163)	(14,734)	-	(226,897)
Claim payments	<u>(163,942)</u>	<u>(311,785)</u>	<u>(4,750,219)</u>	<u>(5,225,946)</u>
Balance, June 30, 2014	<u>\$ 569,983</u>	<u>\$ 596,742</u>	<u>\$ 828,782</u>	<u>\$ 1,995,507</u>

(12) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The City's medical/dental and life insurance benefits are provided to employees upon actual retirement. The Plan is a single employer plan. No separate audited post-employment benefit plan report is available for this plan.

The employer pays 100% of the retiree medical/dental coverage for retirees and dependents for those who retired prior to July 1, 2010. For those retiring after June 30, 2010 and hired before September 1, 2008, the employer pays for a portion of the medical/dental coverage for retirees and dependents based on years of service at retirement: 10 or more years, 80%; 20 or more years, 90%; and, 25 or more years, 100%. For those retiring after June 30, 2010 and hired on or after September 1, 2008, the employer pays for a portion of the medical/dental coverage for retirees only (not dependents), and only until attainment of age 65, based on years of service at retirement: 10 or more years, 55%; 20 or more years, 65%; and, 25 or more years, 75%. The employer also pays for life insurance coverage after retirement. Employees (other than Police) are covered by the Municipal Employees' Retirement System, whose retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; or, age 60 and 10 years of service. Police are covered by the Municipal Police Retirement System, whose retirement eligibility (D.R.O.P. entry) provisions as follows: 25 years of service at any age; age 50 and 20 years of service; or, age 55 and 12 years of service. See the section below entitled "Post-employment Benefit Plan Eligibility Requirements" for the assumption as to actual retirement.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The valuation of the retiree dental insurance has been combined with the medical with all actuarial assumptions being the same except that there was not any medical trend assumed for dental insurance rates.

Life insurance coverage is continued to retirees according to a flat schedule: \$10,000 before age 65; \$6,500 from age 65 and below age 70; and, \$5,000 at age 70 and after. The employer pays 100% of the active/retired blended rate of \$0.254 per \$1,000 of insurance. Since GASB No. 45 requires the use of "unblended" rates, we have used the 94GAR mortality table to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Contribution Rates

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Funding Policy

Until 2008, the City recognized the cost of providing post-employment medical and life insurance benefits (the City's portion of the retiree medical and life insurance benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the City's portion of health care and life insurance funding cost for retired employees totaled \$1,409,079 and \$1,304,703, respectively.

Effective July 1, 2008, the City implemented Government Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions* (GASB No. 45). This amount was applied toward the Net OPEB Benefit Obligation as shown in the following table.

Annual Required Contribution

The City's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB No. 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal Cost	\$ 767,375	\$ 737,861
30-year UAL amortization amount	<u>2,111,137</u>	<u>2,029,939</u>
Annual required contribution (ARC)	<u>\$ 2,878,512</u>	<u>\$ 2,767,800</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Net Post-employment Benefit Obligation (Asset)

The table below shows the City's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal years ended June 30:

	<u>2014</u>	<u>2013</u>
Beginning Net OPEB Obligation 7/1/2013 and 2012	\$ 7,395,558	\$ 6,040,157
Annual required contribution	2,878,512	2,767,800
Interest on Net OPEB obligation	295,822	241,606
ARC adjustment	<u>(427,686)</u>	<u>(349,302)</u>
OPEB Cost	2,746,648	2,660,104
Contribution to Irrevocable Trust	-	-
Current year retiree premium	<u>(1,409,079)</u>	<u>(1,304,703)</u>
Change in Net OPEB Obligation	<u>1,337,569</u>	<u>1,355,401</u>
Ending Net OPEB Obligation 6/30/2014 and 2013	\$ 8,733,127	\$ 7,395,558

The following table shows the City of Slidell's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post-employment benefits (PEB) liability:

Fiscal Year Ended	OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
June 30, 2012	\$ 2,825,146	40.91	\$ 6,040,157
June 30, 2013	2,660,103	49.05	7,395,558
June 30, 2014	2,746,648	51.30	8,733,127

Funded Status and Funding Progress

In the years ended June 30, 2012, 2013 and 2014, the City made no contributions to its post-employment benefits plan. The plan was not funded, has no assets, and hence has a funded ratio of zero. Based on the July 1, 2012 actuarial valuation, the most recent valuation, the Actuarial Accrued Liability (AAL) as of June 30, 2014 was \$37,966,602, which is defined as that portion, as determined by a particular actuarial cost method (the City uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal years 2014, 2013 or 2012, the entire actuarial accrued liability of \$37,966,602 was unfunded. Please see the Schedule of Funding Progress of OPEB Plan on Page 65.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

	<u>2014</u>	<u>2013</u>
Actuarial Accrued Liability (AAL)	\$ 37,966,602	\$ 36,506,348
Actuarial Value of Plan Assets (AVP)	<u>-</u>	<u>-</u>
Unfunded Act Accrued Liability (UAAL)	<u>\$ 37,966,602</u>	<u>\$ 36,506,348</u>
Funded Ratio (AVP/AAL)	0.00%	0.00%
Covered Payroll (active plan members)	<u>\$ 9,904,744</u>	<u>\$ 10,287,953</u>
UAAL as a percentage of covered payroll	383.32%	354.85%

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method

The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets

There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph No. 125 of GASB Statement No. 45.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Turnover Rate

An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 18%.

Post-employment Benefit Plan Eligibility Requirements

Based on past experience, it has been assumed that entitlement to benefits will commence three years after earliest retirement eligibility (D.R.O.P entry), as described above under "Plan Description". The three years represents the three years in the D.R.O.P. Medical benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate)

GASB Statement No. 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan with is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate

The expected rate of increase in medical cost is based on a graded schedule with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate

The 1994 Group Annuity Reserving ("94GAR") table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of Determining Value of Benefits

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates (as required by GASB No. 45 for valuation purposes) for retirees before Medicare as 130% of the blended rate. The plan's Medicare Advantage rates have been used after age 65.

Inflation Rate

Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(12) OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Projected Salary Increases

This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases

The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

Below is a summary of OPEB cost and contributions for the last three fiscal calendar years.

	<u>OPEB Costs and Contributions</u>		
	<u>2012</u>	<u>2013</u>	<u>2014</u>
OPEB Cost	\$ 2,825,146	\$ 2,660,103	\$ 2,746,648
Contribution	-	-	-
Retiree premium	<u>1,155,673</u>	<u>1,304,703</u>	<u>1,409,079</u>
Total contribution and premium	<u>1,155,673</u>	<u>1,304,703</u>	<u>1,409,079</u>
Change in net OPEB obligation	\$ <u>1,669,473</u>	\$ <u>1,355,400</u>	\$ <u>1,337,569</u>
% of contribution to cost	0.00%	0.00%	0.00%
% of contribution plus premium to costs	40.91%	49.05%	51.30%

(13) LEASES

The City is leasing a building which it owns, which it refers to as the DISA Building, to two separate tenants. The DISA Building was acquired by the City in 1996 by an act of donation. The estimated fair market value is \$7,500,000 and has a carrying value as of June 30, 2014 of \$4,354,000. Depreciation expense related to the building for the year ended June 30, 2014 was approximately \$137,000, which was recorded in the government-wide financial statements.

One lease was renewed in June, 2014, and has a term of one year and calls for lease payments of approximately \$99,111 per month. The second lease was renewed in June, 2013, and has a term of three years and calls for lease payments of approximately \$1,762, per month. The total lease revenue, including utility reimbursements, to the City for the current fiscal year was approximately \$1,541,000.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(14) NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement specifies the items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources, deferred inflows of resources, outflows of resources, or inflows of resources. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. The adoption of GASB Statement No. 65, required debt issuance costs to be recognized as an expense in the period incurred. The effects of this statement were applied retroactively by reporting the cumulative effect of the application as a restatement of beginning net position or fund balance, as appropriate. The impact of the implementation of this to the City's financial statements was a decrease in net position of \$248,993 for governmental activities and a decrease in net position of \$134,461 for the proprietary funds, for a total decrease in net position of the primary government of \$383,454, due to the removal of debt issuance costs and related amortization.

The GASB has issued Statement No. 66, "Technical Corrections – 2012; an amendment of GASB Statements No. 10 and No. 62." The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2012. This Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 67, "Financial Reporting for Pension Plans." The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013. This Statement did not have a material effect on the City's financial statements upon implementation.

The GASB has issued Statement No. 68, "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27." This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. The requirements of Statements No. 27 and No. 50 remain applicable for pensions that are not administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 69, "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2013. The City plans to adopt this Statement as applicable by the effective date.

The GASB has issued Statement No. 70, "Accounting and Financial Reporting for Nonexchange Financial Guarantees." The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2013. This Statement did not have a material effect on the City's financial statements upon implementation.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(14) NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB has issued Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68." The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and non-employer contributing entities. This benefit will be achieved without the imposition of significant additional costs. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2014. The City plans to adopt this Statement as applicable by the effective date.

(15) DISCRETELY PRESENTED COMPONENT UNITS

Fremaux Economic Development District, State of Louisiana ("the District")

Cash and cash equivalents

The District had the following cash and cash equivalents as of June 30, 2014:

	<u>Total</u>
<u>Governmental funds:</u>	
Restricted demand deposits	\$ 7
Restricted money market mutual funds	<u>1,354,972</u>
	<u>\$ 1,354,979</u>

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2014, the District's demand deposit bank balances of \$7 were entirely secured by federal deposit insurance. The District's money market mutual funds were entirely secured by government backed securities held in the District's name.

Dedicated Revenues

On March 25, 2008, the City Council passed ordinance number 3461 levying an additional sales tax of one percent (1%) in the District and passed ordinance number 3462 levying a hotel occupancy tax of one percent (1%) in the District to fund economic development projects selected by the District. On December 13, 2011, the City Council adopted ordinance number 3636 to reduce the levy from one percent (1%) to one-half of one percent (0.50%).

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Fremaux Economic Development District, State of Louisiana ("the District") (continued)

Long-term Debt

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2014:

	Balance 6/30/2013	Additions	Reductions	Balance 6/30/2014	Due Within One Year
<u>Governmental Activities:</u>					
Sales Tax Bonds, Series 2014					
CUSIP AA6	\$ -	\$ 2,510,000	\$ -	\$ 2,510,000	\$ -
CUSIP AB4	-	3,200,000	-	3,200,000	-
Original issuance discounts	-	(44,550)	-	(44,550)	-
Total governmental activities	<u>\$ -</u>	<u>\$ 5,665,450</u>	<u>\$ -</u>	<u>\$ 5,665,450</u>	<u>\$ -</u>

Sales Tax Bonds secured by sales and use taxes:

\$5,710,000 Sales Tax Bonds, Series 2014, issued on April 3, 2014, secured by an irrevocable pledge and dedication of all the avails or proceeds of the special one-half of one percent (1/2%) sales tax now being levied and collected, bearing interest from 5.0% to 6.0%, AA6 bonds mature in 2034 and AB4 bonds mature in 2043, economic development projects. \$ 5,710,000

The annual requirements to maturity for Sales Tax Bonds as of June 30, 2014 are as follows:

Year Ending June 30,	Principal	Interest
2015	\$ -	\$ 342,194
2016	-	317,500
2017	-	317,500
2018	-	317,500
2019	-	317,500
2020-2024	-	1,587,500
2025-2029	-	1,587,500
2030-2034	-	1,587,500
2035-2039	2,510,000	1,022,750
2040-2043	<u>3,200,000</u>	<u>864,000</u>
Total	<u>\$ 5,710,000</u>	<u>\$ 8,261,444</u>

The Bonds were issued for the purpose of paying the costs of various capital improvements within the District and paying the costs of issuance of the Bonds. Most of the proceeds were used to pay or reimburse Slidell Development Company, L.L.C., the developer, for certain costs of economic development projects (consisting of water, sewer, drainage, roads and related infrastructure projects and other costs of a multi-purpose real estate development consisting of retail, commercial, residential, office, hotel, education and/or medical facilities) in or beneficial to the District.

CITY OF SLIDELL, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2014

(15) DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

Camellia Square Economic Development District, State of Louisiana ("the District")

Cash and cash equivalents

The District had the following cash as of June 30, 2014:

	<u>Total</u>
<u>Governmental funds:</u>	
Restricted demand deposits	<u>\$ 43,006</u>

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District's deposit policy for custodial credit risk conforms to state law, as described in Note 1. At June 30, 2014, the District's demand deposit bank balances of \$43,006 were entirely secured by federal deposit insurance.

Dedicated Revenues

On May 14, 2013, the Council passed ordinance number 3686 levying an additional sales tax on one percent (1%) in the District. The Council passed ordinance number 3487 levying a hotel occupancy tax on two percent (2%). The purpose of the District is to reimburse a developer for economic development (a shopping center and hotel) within the District.

(16) PRIOR PERIOD ADJUSTMENT

According to GASB Statement 65, debt issuance costs should be recognized as an expense in the period incurred. A prior adjustment was made for the removal of debt issuance costs and related amortization (as more fully discussed in Note 14).

In the prior year, the Fremaux Economic Development District was treated as a blended component unit of the City of Slidell. During the current year, it was determined that the Fremaux Economic Development District should be treated as a discretely presented component unit. Beginning governmental fund balance and net position of the primary government decreased \$21,173 for the removal of the Fremaux Economic Development District from the primary government financial statements.

(17) SUBSEQUENT EVENTS

The Northshore Square Economic Development District was created by an ordinance of the City Council of the City on October 28, 2014, pursuant to the Louisiana Cooperative Economic Development Law. On December 9, 2014, the Council passed an ordinance levying additional sales and use tax of one-half of one percent (0.50%) and authorized the Mayor to sign a co-operative endeavor agreement with the owners of the Northshore Square Mall which is located in the District. The proceeds of the tax will be used to reimburse the mall owners for the cost of renovations.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Ad valorem	\$ 1,126,000	\$ 1,126,000	\$ 1,168,310	\$ 42,310
Franchise	1,819,000	1,819,000	2,062,463	243,463
Licenses and permits	2,100,000	2,100,000	2,383,461	283,461
Intergovernmental revenues:				
Other state and local governmental revenues	65,000	65,000	67,095	2,095
Fines and forfeitures	240,000	240,000	273,489	33,489
Service charges	113,000	113,000	206,774	93,774
Other revenues, primarily interest	219,000	219,000	229,914	10,914
Total revenues	<u>5,682,000</u>	<u>5,682,000</u>	<u>6,391,506</u>	<u>709,506</u>
<u>EXPENDITURES:</u>				
General government:				
Administrative	509,273	530,273	521,451	8,822
Finance	542,576	542,576	517,856	24,720
Legal	455,239	455,239	452,518	2,721
Data processing	358,532	361,532	351,359	10,173
Purchasing	230,039	230,039	225,153	4,886
Civil service	217,272	217,272	211,262	6,010
Legislative	592,142	592,142	557,116	35,026
Risk management	1,152,342	457,602	401,344	56,258
	<u>4,057,415</u>	<u>3,386,675</u>	<u>3,238,059</u>	<u>148,616</u>
Public works:				
Permits	400,095	388,095	320,568	67,527
Planning	233,924	233,924	213,097	20,827
	<u>634,019</u>	<u>622,019</u>	<u>533,665</u>	<u>88,354</u>
Cultural affairs	<u>228,379</u>	<u>228,379</u>	<u>229,437</u>	<u>(1,058)</u>
Judicial system	<u>372,998</u>	<u>372,998</u>	<u>333,954</u>	<u>39,044</u>
Total expenditures	<u>5,292,811</u>	<u>4,610,071</u>	<u>4,335,115</u>	<u>274,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>389,189</u>	<u>1,071,929</u>	<u>2,056,391</u>	<u>984,462</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	672,000	903,000	903,000	-
Transfers out	(1,061,189)	(2,677,929)	(2,677,929)	-
Total other financing sources	(389,189)	(1,774,929)	(1,774,929)	-
Net change in fund balance	-	(703,000)	281,462	984,462
Fund balances, beginning of year	5,524,543	5,524,543	5,524,543	-
Fund balances, end of year	<u>\$ 5,524,543</u>	<u>\$ 4,821,543</u>	<u>\$ 5,806,005</u>	<u>\$ 984,462</u>

*Note: The City legally adopts annual budgets for the General Fund and all Special Revenue Funds.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 9,889,184	\$ 10,469,148	\$ 11,363,053	\$ 893,905
Ad valorem	449,000	449,000	465,905	16,905
Other state and local revenues	16,000	16,000	16,040	40
Service charges	11,000	11,000	31,613	20,613
Other revenue	1,500	1,500	1,409	(91)
Total revenues	<u>10,366,684</u>	<u>10,946,648</u>	<u>11,878,020</u>	<u>931,372</u>
<u>EXPENDITURES:</u>				
General government:				
Administrative	3,261,095	3,326,095	3,244,732	81,363
Animal control	392,811	400,811	363,208	37,603
	<u>3,653,906</u>	<u>3,726,906</u>	<u>3,607,940</u>	<u>118,966</u>
Public works:				
Streets, bridges and drainage	2,606,176	2,513,176	2,412,077	101,099
Engineering	511,869	511,869	472,672	39,197
Electrical	162,091	182,091	179,657	2,434
General maintenance	356,327	356,327	331,421	24,906
Vehicle maintenance	445,312	445,312	416,489	28,823
	<u>4,081,775</u>	<u>4,008,775</u>	<u>3,812,316</u>	<u>196,459</u>
Recreation	<u>1,030,649</u>	<u>1,030,649</u>	<u>933,294</u>	<u>97,355</u>
Capital outlay	<u>1,433,411</u>	<u>7,922,332</u>	<u>2,985,689</u>	<u>4,936,643</u>
Total expenditures	<u>10,199,741</u>	<u>16,688,662</u>	<u>11,339,239</u>	<u>5,349,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>166,943</u>	<u>(5,742,014)</u>	<u>538,781</u>	<u>6,280,795</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
BUDGET AND ACTUAL (BUDGETARY BASIS)
SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	1,029,964	62,648	62,648	-
Transfers out	<u>(1,196,907)</u>	<u>(1,317,805)</u>	<u>(1,242,141)</u>	<u>75,664</u>
Total other financing uses	<u>(166,943)</u>	<u>(1,255,157)</u>	<u>(1,179,493)</u>	<u>75,664</u>
Net change in fund balance	-	(6,997,171)	(640,712)	6,356,459
Fund balances, beginning of year	<u>11,274,573</u>	<u>11,274,573</u>	<u>11,274,573</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,274,573</u>	<u>\$ 4,277,402</u>	<u>\$ 10,633,861</u>	<u>\$ 6,356,459</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GRANTS AND DONATIONS FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ 24,441,208	\$ 14,013,244	\$ (10,427,964)
Other local revenues	-	-	3,367	3,367
Contributions	-	<u>1,091,423</u>	<u>353,694</u>	<u>(737,729)</u>
Total revenues	-	<u>25,532,631</u>	<u>14,370,305</u>	<u>(11,162,326)</u>
<u>EXPENDITURES:</u>				
General government	-	363,939	80,635	283,304
Public works	-	14,173,186	5,363,436	8,809,750
Public safety	-	300,218	257,077	43,141
Recreation and culture	-	390,535	194,163	196,372
Capital outlay	-	<u>10,304,753</u>	<u>8,485,559</u>	<u>1,819,194</u>
Total expenditures	-	<u>25,532,631</u>	<u>14,380,870</u>	<u>11,151,761</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(10,565)	(10,565)
<u>OTHER FINANCING SOURCES (USES)</u>	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	-	(10,565)	(10,565)
Fund balance, beginning of year	<u>564,698</u>	<u>564,698</u>	<u>564,698</u>	<u>-</u>
Fund balance, end of year	<u>\$ 564,698</u>	<u>\$ 564,698</u>	<u>\$ 554,133</u>	<u>\$ (10,565)</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
PUBLIC SAFETY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales	\$ 7,578,816	\$ 6,998,852	\$ 6,998,852	\$ -
Ad valorem	1,008,000	1,008,000	1,045,330	37,330
Other state and local revenues	435,000	435,000	466,636	31,636
Service charges	190,000	190,000	228,879	38,879
Total revenues	<u>9,211,816</u>	<u>8,631,852</u>	<u>8,739,697</u>	<u>107,845</u>
<u>EXPENDITURES:</u>				
Current:				
Police	7,765,099	8,459,839	8,012,879	446,960
Corrections facility	751,147	751,147	731,372	19,775
Regional training facility	235,570	235,570	233,330	2,240
Capital outlay	460,000	1,360,000	414,905	945,095
Total expenditures	<u>9,211,816</u>	<u>10,806,556</u>	<u>9,392,486</u>	<u>1,414,070</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,174,704)</u>	<u>(652,789)</u>	<u>1,521,915</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	-	2,646,704	2,646,704	-
Total other financing sources (uses)	<u>-</u>	<u>2,646,704</u>	<u>2,646,704</u>	<u>-</u>
Net change in fund balances	-	472,000	1,993,915	1,521,915
Fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 472,000</u>	<u>\$ 1,993,915</u>	<u>\$ 1,521,915</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$420,140) is not reflected above in revenues and expenditures and debt service for a capital lease is included in capital outlay.

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNDING PROGRESS OF OPEB PLAN
FOR THE YEAR ENDED JUNE 30, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Cost	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	(c)	[(b-a)/c]
7/1/2013	\$	- \$ 37,966,602	\$ 37,966,602	0.00%	\$ 9,904,744	383.32%
7/1/2012	\$	- \$ 36,506,348	\$ 36,506,348	0.00%	\$ 10,287,953	354.85%
7/1/2011	\$	- \$ 36,792,503	\$ 36,792,503	0.00%	\$ 10,842,309	339.34%
7/1/2010	\$	- \$ 34,016,737	\$ 34,016,737	0.00%	\$ 11,212,448	303.38%
7/1/2009	\$	- \$ 25,961,933	\$ 25,961,933	0.00%	\$ 11,783,250	220.33%

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OTHER SUPPLEMENTARY INFORMATION

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CITY OF SLIDELL, LOUISIANA
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

Community Development Block Grant Fund – accounts for the proceeds of entitlement grants received from the Department of Housing and Urban Development.

DISA Fund – accounts for revenues earned through the lease of a City-owned building which are used for the upkeep and maintenance of the building.

Katrina Fund – accounts for FEMA reimbursements, insurance proceeds and the related costs associated with the storm.

CAPITAL PROJECTS FUNDS

Capital Projects funds account for the purchase, construction and renovation of the City's major capital facilities. Their resources are derived principally from proceeds of general obligation or sales tax bonds, certificates of indebtedness and U.S. Government and other agencies grants.

City Capital Construction Fund – was established to account for monies received from an outside agency and proceeds from the sales of City property.

Public Works Fund – accounts for transfers from the DISA Fund.

Bond Improvement Fund – accounts for improvements to the City's streets, bridges and drainage. The fund's resources are derived from the proceeds of a general obligation bond.

CITY OF SLIDELL, LOUISIANA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

ASSETS

	Special Revenue			Debt Service	Capital Projects			Total
	Community Development Block Grant	Katrina	DISA	Debt Service	Public Works	Bond Improvement Fund	City Capital Construction	Nonmajor Governmental Funds
CURRENT ASSETS:								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	2,500,475	-	-	-	2,500,475
Other receivables	-	-	36,025	-	-	-	-	36,025
Due from other governments								
U.S. Government	13,675	156	-	-	-	-	-	13,831
Due from other funds		1,829,334	1,898,558	86,658	3,934,816	-	401,880	8,151,246
Restricted assets:								
Cash	-	-	-	-	-	4,145,457	-	4,145,457
Total assets	<u>\$ 13,675</u>	<u>\$ 1,829,490</u>	<u>\$ 1,934,583</u>	<u>\$ 2,587,133</u>	<u>\$ 3,934,816</u>	<u>\$ 4,145,457</u>	<u>\$ 401,880</u>	<u>\$ 14,847,034</u>

LIABILITIES AND FUND BALANCES

LIABILITIES:								
Accounts payable and accrued expenditures	\$ 13,478	\$ 357,916	\$ 107,813	\$ 479,207	\$ -	\$ 10,110	\$ -	\$ 489,317
Due to other funds	197	-	-	197	-	-	-	197
Total liabilities	<u>13,675</u>	<u>357,916</u>	<u>107,813</u>	<u>479,404</u>	<u>-</u>	<u>10,110</u>	<u>-</u>	<u>489,514</u>
FUND BALANCES:								
Restricted for:								
Debt service	-	-	-	2,587,133	-	-	-	2,587,133
Streets and drainage	-	-	-	-	-	4,145,457	-	4,145,457
Committed to:								
Capital outlay	-	-	1,439,561	1,439,561	-	3,924,706	401,880	5,766,147
Contingencies	-	-	193,863	193,863	-	-	-	193,863
Assigned to:								
Public improvements	-	-	193,346	193,346	-	-	-	193,346
Recovery	-	1,471,574	-	1,471,574	-	-	-	1,471,574
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>1,471,574</u>	<u>1,826,770</u>	<u>3,298,344</u>	<u>2,587,133</u>	<u>4,145,457</u>	<u>401,880</u>	<u>14,357,520</u>
Total liabilities and fund balances	<u>\$ 13,675</u>	<u>\$ 1,829,490</u>	<u>\$ 1,934,583</u>	<u>\$ 3,777,748</u>	<u>\$ 2,587,133</u>	<u>\$ 3,934,816</u>	<u>\$ 4,145,457</u>	<u>\$ 14,847,034</u>

See Independent Auditors' Report

CITY OF SLIDELL, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue				Debt Service	Capital Projects			Total
	Community Development Block Grant	Katrina	DISA	Total	Debt Service	Public Works	Bond Improvement Fund	City Capital Construction	Nonmajor Governmental Funds
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,551,440	\$ -	\$ -	\$ -	\$ 1,551,440
Intergovernmental revenues									
Federal/state grants	157,612	893,665	-	1,051,277	-	-	-	-	1,051,277
Other state and local governmental revenues	-	-	-	-	-	-	-	401,880	401,880
Service charges	-	-	1,540,735	1,540,735	-	-	-	-	1,540,735
Other revenues, primarily interest and tuition	-	-	-	-	1,202	-	15,416	-	16,618
Total revenues	<u>157,612</u>	<u>893,665</u>	<u>1,540,735</u>	<u>2,592,012</u>	<u>1,552,642</u>	<u>-</u>	<u>15,416</u>	<u>401,880</u>	<u>4,561,950</u>
<u>EXPENDITURES:</u>									
General government	30,702	696,567	958,785	1,686,054	17,263	-	-	-	1,703,317
Debt service:									
Principal retirement	-	-	-	-	2,010,100	-	-	-	2,010,100
Interest and fiscal charges	-	-	-	-	496,554	-	-	-	496,554
Capital outlay	<u>126,910</u>	<u>434,779</u>	<u>37,207</u>	<u>598,896</u>	<u>-</u>	<u>42,659</u>	<u>161,219</u>	<u>-</u>	<u>802,774</u>
Total expenditures	<u>157,612</u>	<u>1,131,346</u>	<u>995,992</u>	<u>2,284,950</u>	<u>2,523,917</u>	<u>42,659</u>	<u>161,219</u>	<u>-</u>	<u>5,012,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(237,681)</u>	<u>544,743</u>	<u>307,062</u>	<u>(971,275)</u>	<u>(42,659)</u>	<u>(145,803)</u>	<u>401,880</u>	<u>(450,795)</u>
<u>OTHER FINANCING SOURCES (USES):</u>									
CDL forgiveness	-	-	-	-	-	972,260	-	-	972,260
Transfers in	-	-	-	-	1,011,141	1,861,859	-	-	2,873,000
Transfers out	<u>-</u>	<u>(1,421,726)</u>	<u>(440,133)</u>	<u>(1,861,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,861,859)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,421,726)</u>	<u>(440,133)</u>	<u>(1,861,859)</u>	<u>1,011,141</u>	<u>2,834,119</u>	<u>-</u>	<u>-</u>	<u>1,983,401</u>
Net change in fund balances	-	(1,659,407)	104,610	(1,554,797)	39,866	2,791,460	(145,803)	401,880	1,532,606
Fund balances, beginning of year	<u>-</u>	<u>3,130,981</u>	<u>1,722,160</u>	<u>4,853,141</u>	<u>2,547,267</u>	<u>1,133,246</u>	<u>4,291,260</u>	<u>-</u>	<u>12,824,914</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,471,574</u>	<u>\$ 1,826,770</u>	<u>\$ 3,298,344</u>	<u>\$ 2,587,133</u>	<u>\$ 3,924,706</u>	<u>\$ 4,145,457</u>	<u>\$ 401,880</u>	<u>\$ 14,357,520</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
COMMUNITY DEVELOPMENT BLOCK GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on Budgetary Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ 398,525	\$ 157,612	\$ (240,913)
Total revenues	-	398,525	157,612	(240,913)
<u>EXPENDITURES:</u>				
General government	-	59,334	30,702	28,632
Capital outlay	-	339,191	126,910	212,281
Total expenditures	-	398,525	157,612	240,913
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
KATRINA FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Intergovernmental revenues	\$ -	\$ 7,518,035	\$ 893,665	\$ (6,624,370)
Total revenues	-	7,518,035	893,665	(6,624,370)
<u>EXPENDITURES:</u>				
General government	-	696,567	696,567	-
Judicial system	-	-	-	-
Capital outlay	-	6,821,468	434,779	6,386,689
Total expenditures	-	7,518,035	1,131,346	6,386,689
Excess (deficiency) of revenues over (under) expenditures	-	-	(237,681)	(237,681)
<u>OTHER FINANCING SOURSES (USES):</u>				
Transfers out	-	(1,421,726)	(1,421,726)	-
Total other financing sources (uses)	-	(1,421,726)	(1,421,726)	-
Net change in fund balance	-	(1,421,726)	(1,659,407)	(237,681)
Fund balance, beginning of year	3,130,981	3,130,981	3,130,981	-
Fund balance, end of year	\$ 3,130,981	\$ 1,709,255	\$ 1,471,574	\$ (237,681)

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
DISA FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Service charges	\$ 1,580,000	\$ 1,580,000	\$ 1,540,735	\$ (39,265)
Total revenues	<u>1,580,000</u>	<u>1,580,000</u>	<u>1,540,735</u>	<u>(39,265)</u>
<u>EXPENDITURES:</u>				
General government	1,139,867	1,139,867	958,785	181,082
Capital outlay	-	1,670,631	37,207	1,633,424
Total expenditures	<u>1,139,867</u>	<u>2,810,498</u>	<u>995,992</u>	<u>1,814,506</u>
Excess (deficiency) of revenues over (under) expenditures	<u>440,133</u>	<u>(1,230,498)</u>	<u>544,743</u>	<u>1,775,241</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	(440,133)	(440,133)	(440,133)	-
Total other financing sources (uses)	<u>(440,133)</u>	<u>(440,133)</u>	<u>(440,133)</u>	<u>-</u>
Net change in fund balance	-	(1,670,631)	104,610	1,775,241
Fund balance, beginning of year	<u>1,722,160</u>	<u>1,722,160</u>	<u>1,722,160</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,722,160</u>	<u>\$ 51,529</u>	<u>\$ 1,826,770</u>	<u>\$ 1,775,241</u>

CITY OF SLIDELL, LOUISIANA
BALANCE SHEET
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT
JUNE 30, 2014

ASSETS

	<u>General Fund</u>
<u>CURRENT ASSETS:</u>	
Receivables, net of allowances for uncollectibles:	
Taxes	\$ 18,647
Restricted assets:	
Cash	<u>43,006</u>
 Total assets	 <u><u>\$ 61,653</u></u>

LIABILITIES AND FUND BALANCES

<u>LIABILITIES:</u>	
Accounts payable	\$ <u>43,014</u>
 Total liabilities	 <u>43,014</u>
 <u>FUND BALANCES:</u>	
Restricted for economic development	<u>18,639</u>
 Total fund balances	 <u>18,639</u>
 Total liabilities and fund balances	 <u><u>\$ 61,653</u></u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
CAMELLIA SQUARE ECONOMIC DEVELOPMENT DISTRICT
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budgetary Amounts</u>		<u>Actual on</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Final Budget</u>
			<u>Basis</u>	<u>Positive (Negative)</u>
<u>REVENUES:</u>				
Taxes:				
Sales and use	\$ -	\$ 36,000	\$ 48,466	\$ 12,466
Hotel occupancy	-	1,800	13,142	11,342
Other revenue	-	50	45	(5)
Total revenues	-	37,850	61,653	23,803
<u>EXPENDITURES:</u>				
General government	-	1,136	1,303	(167)
Economic development	-	36,714	41,711	(4,997)
Total expenditures	-	37,850	43,014	(5,164)
Excess (deficiency) of revenues over (under) expenditures	-	-	18,639	18,639
<u>OTHER FINANCING SOURCES (USES)</u>	-	-	-	-
Net change in fund balance	-	-	18,639	18,639
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ 18,639	\$ 18,639

CITY OF SLIDELL, LOUISIANA
FIDUCIARY FUND
JUNE 30, 2014

AGENCY FUND

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations and/or other funds.

Animal Assistance League of Slidell - This fund is used for the care and protection of stray animals.

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CITY OF SLIDELL, LOUISIANA
COMBINING STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUND
JUNE 30, 2014

	Agency Funds
	Animal Assistance League of Slidell
<u>ASSETS:</u>	
Cash and cash equivalents	\$ 1,050
Restricted cash	95,058
Due from general fund	<u>64,846</u>
 Total assets	 <u>\$ 160,954</u>
 <u>LIABILITIES:</u>	
Accounts payable	\$ 1,705
Due to local entities	<u>159,249</u>
 Total liabilities	 <u>\$ 160,954</u>

CITY OF SLIDELL, LOUISIANA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2014

ANIMAL ASSISTANCE LEAGUE OF SLIDELL

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
<u>ASSETS:</u>				
Cash and cash equivalents	\$ 1,050	\$ -	\$ -	\$ 1,050
Restricted cash	94,720	338	-	95,058
Due from general fund	60,590	4,256	-	64,846
	<u>156,360</u>	<u>4,594</u>	<u>-</u>	<u>160,954</u>
Total assets	\$ 156,360	\$ 4,594	\$ -	\$ 160,954
<u>LIABILITIES:</u>				
Accounts payable	\$ 2,700		\$ 995	\$ 1,705
Due to local entities	153,660	33,878	28,289	159,249
	<u>156,360</u>	<u>33,878</u>	<u>29,284</u>	<u>160,954</u>
Total liabilities	\$ 156,360	\$ 33,878	\$ 29,284	\$ 160,954

SUPPORTING SCHEDULES

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CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
GENERAL FUND
FOR YEAR ENDED JUNE 30, 2014

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Museum/ Arts Evening	Community Service	Legal Fees and Claims	Main Street/ Planning & Zoning	Total
Administrative	\$ 460,518	\$ 53,849	\$ 7,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,451
Finance	439,512	50,092	27,652	600	-	-	-	-	517,856
Legal	181,118	37,527	3,873	-	-	-	230,000	-	452,518
Data processing	242,290	600	108,469	-	-	-	-	-	351,359
Purchasing	216,255	3,956	3,713	1,229	-	-	-	-	225,153
Risk management	381,964	4,774	4,606	-	-	10,000	-	-	401,344
Permits	299,843	9,783	10,942	-	-	-	-	-	320,568
Cultural arts	145,659	28,994	17,694	500	36,590	-	-	-	229,437
Civil service	159,743	35,489	15,617	413	-	-	-	-	211,262
City Marshall	83,452	8,670	2,000	-	-	-	-	-	94,122
City Prosecutor	126,346	2,259	2,736	-	-	-	-	-	131,341
Planning	175,486	2,807	8,179	-	-	-	-	26,625	213,097
City Court	104,538	-	3,203	750	-	-	-	-	108,491
Legislative	469,459	77,216	10,052	389	-	-	-	-	557,116
Total expenditures	<u>\$ 3,486,183</u>	<u>\$ 316,016</u>	<u>\$ 225,820</u>	<u>\$ 3,881</u>	<u>\$ 36,590</u>	<u>\$ 10,000</u>	<u>\$ 230,000</u>	<u>\$ 26,625</u>	<u>\$ 4,335,115</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
SALES TAX FUND
FOR YEAR ENDED JUNE 30, 2014

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Heritage Festival	Total
Administrative	\$ 781,345	\$ 2,454,308	\$ 9,079	\$ -	\$ -	\$ 3,244,732
Vehicle maintenance	294,827	18,429	100,941	2,292	-	416,489
Streets, bridges and drainage	1,819,496	78,529	501,670	12,382	-	2,412,077
Parks and recreation	642,371	143,307	131,966	13,150	2,500	933,294
General maintenance	212,698	50,191	65,863	2,669	-	331,421
Engineering	441,637	7,289	23,473	273	-	472,672
Animal control	337,913	2,280	23,015	-	-	363,208
Electrical	166,352	1,512	11,402	391	-	179,657
Total expenditures	\$ 4,696,639	\$ 2,755,845	\$ 867,409	\$ 31,157	\$ 2,500	\$ 8,353,550

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FUNCTIONAL EXPENDITURES BY DEPARTMENT (BUDGETARY BASIS)
PUBLIC SAFETY FUND
FOR YEAR ENDED JUNE 30, 2014

	Salaries, Wages and Related Benefits	Contract Services	Supplies and Materials	Equipment	Total
Police	\$ 7,222,826	\$ 234,829	\$ 552,896	\$ 2,328	\$ 8,012,879
Corrections facility	650,197	44,910	32,047	4,218	731,372
Regional training facility	149,768	47,419	36,143	-	233,330
Total expenditures	<u>\$ 8,022,791</u>	<u>\$ 327,158</u>	<u>\$ 621,086</u>	<u>\$ 6,546</u>	<u>\$ 8,977,581</u>

*Note: The Actual on Budgetary Basis amounts above reflect the modified accrual basis of accounting, except that state supplemental pay for police (\$420,140) is not reflected above in revenues or expenditures.

CITY OF SLIDELL, LOUISIANA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Description	State Grant Number	Program Grant Award	Disbursements/ Expenditures
DEPARTMENT OF CULTURE, RECREATION, AND TOURISM			
Subgrant through St. Tammany Arts Commission			
Decentralized Arts Funding FY14	FY14-04	\$ 5,000	5,000
TOTAL DEPARTMENT OF CULTURE, RECREATION AND TOURISM			<u>5,000</u>
DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT			
Office of Public Works			
Maintenance Division			
Highway Maintenance Grant	737-08-12	16,040	16,040
Division of Aviation			
Maintenance Assistance Reimbursement for Airport	H.008655	1,989	1,989
TOTAL DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT			<u>18,029</u>
DEPARTMENT OF ADMINISTRATION			
LGAP - Bobcat Track Loader	1112-STT-0701	20,700	-
TOTAL DEPARTMENT OF ADMINISTRATION			<u>-</u>
DEPARTMENT OF TREASURY			
Subgrant through the St. Tammany Parish Tourist and Convention Commission			
Heritage Park Security Cameras	-	44,493	43,198
Heritage Park Dressing Rooms	-	36,000	10,982
TOTAL DEPARTMENT OF TREASURY			<u>54,180</u>
TOTAL STATE GRANTS			<u>\$ 77,209</u>

CITY OF SLIDELL, LOUISIANA
SCHEDULE OF COUNCILPERSONS' COMPENSATION
FOR YEAR ENDED JUNE 30, 2014

<u>COUNCILPERSON</u>	<u>COMPENSATION</u>
L. Landon Cusimano	\$ 18,750
Kim Baronet Harbison	18,750
Lionel Hicks	18,750
Sam Abney	18,750
Buddy Lloyd	18,750
Joe Fraught	18,750
Sam Caruso	18,750
Jay Newcomb	18,750
Bill Borchert	18,750

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STATISTICAL SECTION

This part of the City of Slidell's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents

Tables

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the City's property tax.

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Principal Property Taxpayers	8
Property Tax Levies and Collections	9
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Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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Direct and Overlapping Governmental Activities Debt	13
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Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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STATISTICAL SECTION (CONTINUED)

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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the city provides and the activities it performs.

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Capital Asset Statistics by Function	20

Sources: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003; tables presenting government-wide information include information beginning in that year.

CITY OF SLIDELL, LOUISIANA
NET POSITION BY COMPONENT
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 1

	Fiscal Year							
	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities								
Net investment in capital assets	\$ 42,037,827	\$ 50,303,228	\$ 61,334,324	\$ 79,841,867	\$ 88,377,938	\$ 96,377,271	\$ 96,620,849	\$105,863,429
Restricted	4,252,595	2,544,719	3,439,748	14,041,419	4,447,007	2,268,579	1,968,120	1,944,959
Unrestricted	9,016,103	17,349,944	15,295,234	2,167,967	11,040,772	11,275,798	12,765,363	16,982,470
Total governmental activities net position	<u>\$ 55,306,525</u>	<u>\$ 70,197,891</u>	<u>\$ 80,069,306</u>	<u>\$ 96,051,253</u>	<u>\$103,865,717</u>	<u>\$ 109,921,648</u>	<u>\$111,354,332</u>	<u>\$124,790,858</u>
Business-Type Activities								
Net investment in capital assets	\$ 41,218,252	\$ 42,827,531	\$ 40,501,548	\$ 43,457,832	\$ 44,074,766	\$ 44,870,637	\$ 44,815,853	\$ 45,992,103
Restricted	1,094,221	3,154,790	1,583,578	1,160,704	1,030,629	1,020,672	365,891	364,825
Unrestricted	3,590,748	488,503	4,868,813	5,466,652	6,396,677	5,393,149	6,719,480	6,782,823
Total business-type activities net position	<u>\$ 45,903,221</u>	<u>\$ 46,470,824</u>	<u>\$ 46,953,939</u>	<u>\$ 50,085,188</u>	<u>\$ 51,502,072</u>	<u>\$ 51,284,458</u>	<u>\$ 51,901,224</u>	<u>\$ 53,139,751</u>
Primary Government								
Net investment in capital assets	\$ 83,256,079	\$ 93,130,759	\$ 101,835,872	\$ 123,299,699	\$ 132,452,704	\$ 141,247,908	\$141,436,702	\$151,855,532
Restricted	5,346,816	5,699,509	5,023,326	15,202,123	5,477,636	3,289,251	2,334,011	2,309,784
Unrestricted	12,606,851	17,838,447	20,164,047	7,634,619	17,437,449	16,668,947	19,484,843	23,765,293
Total primary government net position	<u>\$ 101,209,746</u>	<u>\$ 116,668,715</u>	<u>\$ 127,023,245</u>	<u>\$ 146,136,441</u>	<u>\$ 155,367,789</u>	<u>\$ 161,206,106</u>	<u>\$163,255,556</u>	<u>\$177,930,609</u>

CITY OF SLIDELL, LOUISIANA
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

Expenses	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:								
General government	\$ 8,078,341	\$ 9,076,962	\$ 9,729,025	\$ 9,707,627	\$ 9,303,729	\$ 9,283,019	\$ 9,646,398	\$ 9,484,652
Public works	13,893,261	11,366,623	11,141,279	10,755,204	11,528,312	11,428,558	13,090,015	14,630,818
Public safety	9,836,342	10,075,755	9,505,618	9,753,105	10,488,683	10,110,483	10,747,248	10,696,681
Recreation and culture	1,996,220	2,116,497	2,346,960	2,389,670	2,191,622	2,644,291	2,063,753	1,979,693
Judicial system	331,533	352,926	404,717	410,671	404,146	420,504	437,307	373,389
Interest on long-term debt	921,160	819,182	666,292	538,794	838,176	709,649	641,998	509,918
Total governmental activities expenses	<u>35,056,857</u>	<u>33,807,945</u>	<u>33,793,891</u>	<u>33,555,071</u>	<u>34,754,668</u>	<u>34,596,504</u>	<u>36,626,719</u>	<u>37,675,151</u>
Business-type activities:								
Utilities	8,932,260	8,914,670	9,331,791	9,500,931	9,598,912	10,078,812	10,031,018	10,208,370
Airport	517,110	581,366	657,650	693,333	695,313	1,120,767	1,194,655	1,039,799
Total business-type activities expenses	<u>9,449,370</u>	<u>9,496,036</u>	<u>9,989,441</u>	<u>10,194,264</u>	<u>10,294,225</u>	<u>11,199,579</u>	<u>11,225,673</u>	<u>11,248,169</u>
Total primary government expenses	<u>\$ 44,506,227</u>	<u>\$ 43,303,981</u>	<u>\$ 43,783,332</u>	<u>\$ 43,749,335</u>	<u>\$ 45,048,893</u>	<u>\$ 45,796,083</u>	<u>\$ 47,852,392</u>	<u>\$ 48,923,320</u>
Program Revenues								
Governmental activities:								
Charges for services:								
General government	\$ 2,231,265	\$ 4,257,489	\$ 4,239,152	\$ 4,321,647	\$ 4,206,584	\$ 4,215,048	\$ 4,191,714	\$ 3,557,467
Public works	610,881	459,014	637,713	288,869	231,106	335,367	294,012	492,521
Public safety	522,197	1,080,721	968,232	948,598	1,283,631	1,035,330	1,022,664	926,715
Recreation and culture	18,310	20,010	16,100	13,925	20,800	18,255	87,165	107,631
Judicial system	9,701	12,799	10,353	9,739	7,740	35,007	15,894	42,288
Operating grants and contribution:								
General government	281,505	315,006	477,311	598,837	381,983	577,479	317,926	699,533
Public works	1,758,518	1,527,622	5,255,020	766,727	873,531	1,081,905	3,881,803	5,241,718
Public safety	276,773	1,685,409	500,673	1,239,293	589,341	585,052	596,579	580,346
Recreation and culture	31,400	142,564	21,878	21,350	51,165	61,817	29,958	205,190
Judicial system	-	-	-	-	-	-	4,699	-
Capital grants and contributions:								
General government	-	51,976	1,727,893	3,249,389	3,186,209	500,783	151,424	(78,704)
Public works	3,155,097	9,953,231	3,687,074	12,685,634	2,057,035	5,741,151	1,207,872	11,242,720
Public safety	497,159	1,233,775	50,002	279,584	95,178	241,128	82,996	96,873
Recreation and culture	54,613	65,808	177,443	603,937	5,128,197	1,385,479	3,633	313,172
Total governmental activities program revenues	<u>9,447,419</u>	<u>20,805,424</u>	<u>17,768,844</u>	<u>25,027,529</u>	<u>18,112,500</u>	<u>15,813,801</u>	<u>11,888,339</u>	<u>23,427,470</u>

CITY OF SLIDELL, LOUISIANA
CHANGES IN NET POSITION
LAST EIGHT FISCAL YEARS - CONTINUED
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

	2007	2008	2009	2010	2011	2012	2013	2014
Business-type activities:								
Charges for services:								
Utilities	7,811,524	8,140,057	8,545,599	8,525,779	9,081,628	9,301,875	9,516,836	9,594,013
Airport	41,072	100,163	101,319	118,042	83,344	640,733	695,547	503,162
Capital grants and contributions								
Utilities	1,194,808	227,484	288,078	2,220,503	876,315	113,113	38,250	1,316,986
Airport	533,739	410,721	88,251	1,098,301	62,055	119,595	382,806	2,441
Total business-type activities program revenues	<u>9,581,143</u>	<u>8,878,425</u>	<u>9,023,247</u>	<u>11,962,625</u>	<u>10,103,342</u>	<u>10,175,316</u>	<u>10,633,439</u>	<u>11,416,602</u>
Total primary government program revenues	<u>\$ 19,028,562</u>	<u>\$ 29,683,849</u>	<u>\$ 26,792,091</u>	<u>\$ 36,990,154</u>	<u>\$ 28,215,842</u>	<u>\$ 25,989,117</u>	<u>\$ 22,521,778</u>	<u>\$ 34,844,072</u>
Net (expense)/revenue								
Governmental activities	<u>\$ (25,609,438)</u>	<u>\$ (13,002,521)</u>	<u>\$ (16,025,047)</u>	<u>\$ (8,527,542)</u>	<u>\$ (16,642,168)</u>	<u>\$ (18,782,703)</u>	<u>\$ (24,738,380)</u>	<u>\$ (14,247,681)</u>
Business-type activities	<u>131,773</u>	<u>(617,611)</u>	<u>(966,194)</u>	<u>1,768,361</u>	<u>(190,883)</u>	<u>(1,024,263)</u>	<u>(592,234)</u>	<u>168,433</u>
Total primary government net expense	<u>\$ (25,477,665)</u>	<u>\$ (13,620,132)</u>	<u>\$ (16,991,241)</u>	<u>\$ (6,759,181)</u>	<u>\$ (16,833,051)</u>	<u>\$ (19,806,966)</u>	<u>\$ (25,330,614)</u>	<u>\$ (14,079,248)</u>
General Revenues and Other Changes in Net Position								
Governmental activities:								
Taxes:								
Ad Valorem	\$ 3,227,268	\$ 3,391,577	\$ 3,854,291	\$ 3,974,834	\$ 3,991,512	\$ 3,866,282	\$ 4,253,539	\$ 4,230,985
Sales and use	22,610,447	21,130,329	19,178,627	17,911,488	17,980,547	17,919,089	17,992,111	18,361,905
Franchise	1,826,061	2,000,835	2,007,030	1,789,043	1,903,308	1,824,971	2,919,497	2,062,463
Beer	88,434	106,212	71,468	67,216	57,622	70,766	66,816	67,095
Investment earnings	816,927	827,026	407,632	223,125	264,362	249,765	263,712	132,630
Miscellaneous	293,452	91,331	22,272	87,022	41,850	26,616	41,614	38,994
Loan cancellation	-	-	-	-	-	-	-	2,356,878
Transfers	<u>1,498,251</u>	<u>346,577</u>	<u>355,142</u>	<u>456,761</u>	<u>217,430</u>	<u>881,145</u>	<u>633,775</u>	<u>703,423</u>
Total governmental activities	<u>30,360,840</u>	<u>27,893,887</u>	<u>25,896,462</u>	<u>24,509,489</u>	<u>24,456,631</u>	<u>24,838,634</u>	<u>26,171,064</u>	<u>27,954,373</u>
Business-type activities:								
Taxes:								
Ad Valorem	1,426,468	1,445,932	1,740,852	1,796,502	1,804,360	1,669,640	1,833,422	1,892,000
Investment earnings	163,425	77,540	56,591	14,277	4,155	3,156	1,985	1,027
Miscellaneous	9,049	8,319	7,008	8,870	16,682	14,998	7,368	14,950
Transfers	<u>(1,498,251)</u>	<u>(346,577)</u>	<u>(355,142)</u>	<u>(456,761)</u>	<u>(217,430)</u>	<u>(881,145)</u>	<u>(633,775)</u>	<u>(703,423)</u>
Total business-type activities	<u>100,691</u>	<u>1,185,214</u>	<u>1,449,309</u>	<u>1,362,888</u>	<u>1,607,767</u>	<u>806,649</u>	<u>1,209,000</u>	<u>1,204,554</u>
Total primary government	<u>\$ 30,461,531</u>	<u>\$ 29,079,101</u>	<u>\$ 27,345,771</u>	<u>\$ 25,872,377</u>	<u>\$ 26,064,398</u>	<u>\$ 25,645,283</u>	<u>\$ 27,380,064</u>	<u>\$ 29,158,927</u>
Changes in Net Position								
Governmental activities	<u>\$ 4,751,402</u>	<u>\$ 14,891,366</u>	<u>\$ 9,871,415</u>	<u>\$ 15,981,947</u>	<u>\$ 7,814,463</u>	<u>\$ 6,055,931</u>	<u>\$ 1,432,684</u>	<u>\$ 13,706,692</u>
Business-type activities	<u>232,464</u>	<u>567,603</u>	<u>483,115</u>	<u>3,131,249</u>	<u>1,416,884</u>	<u>(217,614)</u>	<u>616,766</u>	<u>1,372,987</u>
Total primary government	<u>\$ 4,983,866</u>	<u>\$ 15,458,969</u>	<u>\$ 10,354,530</u>	<u>\$ 19,113,196</u>	<u>\$ 9,231,347</u>	<u>\$ 5,838,317</u>	<u>\$ 2,049,450</u>	<u>\$ 15,079,679</u>

CITY OF SLIDELL, LOUISIANA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 3

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Property Tax</u>	<u>Franchise Tax</u>	<u>Alcoholic Beverage Tax</u>	<u>Total</u>
2005	\$ 18,093,876	\$ 3,718,279	\$ 1,593,815	\$ 68,401	\$ 23,474,371
2006	23,569,352	3,004,230	1,612,976	113,345	28,299,904
2007	22,610,447	3,227,268	1,826,061	88,434	27,752,209
2008	21,130,329	3,391,577	1,444,166	50,831	26,016,902
2009	19,178,628	3,854,291	2,007,030	71,468	25,111,418
2010	17,896,150	3,974,834	1,789,043	67,216	23,727,243
2011	18,013,281	3,991,512	1,903,308	57,622	23,965,723
2012	17,919,088	3,866,282	1,824,971	70,766	23,681,107
2013	17,992,111	4,253,539	2,919,497	66,816	25,231,963
2014	18,361,905	4,230,985	2,062,463	67,095	24,722,448

CITY OF SLIDELL, LOUISIANA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 4

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Reserved	\$ 1,060,839	\$ 1,445,750	\$ 1,579,433	\$ 1,613,325	\$ 1,651,152	\$ 1,582,510	\$ -	\$ -	\$ -	\$ -
Unreserved	2,223,158	3,431,007	3,164,832	3,524,088	3,446,072	2,756,461	-	-	-	-
Nonspendable	-	-	-	-	-	-	1,432,377	1,601,902	1,655,956	1,564,634
Restricted	-	-	-	-	-	-	275,000	275,000	300,000	300,000
Committed to	-	-	-	-	-	-	819,500	901,000	992,000	1,374,000
Assigned to	-	-	-	-	-	-	1,079,188	1,448,369	1,491,474	1,069,652
Unassigned	-	-	-	-	-	-	967,497	387,258	1,085,113	1,497,719
Total general fund	\$ 3,283,997	\$ 4,876,757	\$ 4,744,265	\$ 5,137,413	\$ 5,097,224	\$ 4,338,971	\$ 4,573,562	\$ 4,613,529	\$ 5,524,543	\$ 5,806,005
All other governmental funds										
Reserved	\$ 3,687,572	\$ 3,419,424	\$ 3,359,780	\$ 3,402,614	\$ 3,104,748	\$ 3,901,853	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,887,773	2,494,713	7,207,873	14,230,778	15,327,413	24,876,646	-	-	-	-
Capital projects funds	600,207	173,154	86,911	23,203	527,459	299,427	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	14,355,948	12,466,011	8,506,647	8,377,549
Committed to	-	-	-	-	-	-	9,882,355	9,815,311	10,485,048	15,769,879
Assigned to	-	-	-	-	-	-	3,836,684	4,625,721	5,693,663	3,392,001
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 9,175,552	\$ 6,087,291	\$ 10,654,564	\$ 17,656,595	\$ 18,959,620	\$ 29,077,926	\$ 28,074,987	\$ 26,907,043	\$ 24,685,358	\$ 27,539,429

CITY OF SLIDELL, LOUISIANA
CHANGES IN FUNDS BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 5

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes and assessments	\$ 23,405,970	\$ 28,186,558	\$ 27,663,785	\$ 26,522,742	\$ 25,039,948	\$ 23,675,366	\$ 23,875,367	\$ 23,610,341	\$ 25,165,147	\$ 24,655,353
Licenses and permits	1,976,248	2,236,326	2,480,141	2,344,813	2,426,706	2,079,238	2,028,220	2,106,164	2,114,167	2,383,461
Intergovernmental revenue	3,008,459	10,832,265	6,791,367	10,937,074	12,747,209	18,862,504	10,942,957	11,056,064	7,088,868	16,439,679
Fines and forfeitures	190,920	203,239	260,761	503,042	426,576	394,095	419,421	333,622	273,537	273,489
Lease revenues	-	-	257,557	2,518,564	2,606,645	2,696,163	2,885,569	2,751,390	2,705,834	2,008,001
Contributions	44,310	210,010	220,795	183,647	413,064	3,543,256	290,730	377,895	305,454	353,694
Other revenues, primarily interest and tuition	882,789	856,869	1,188,999	1,015,615	516,778	320,900	332,993	325,505	337,060	247,941
Total revenues	\$ 29,508,696	\$ 42,525,267	\$ 38,863,405	\$ 44,025,497	\$ 44,176,926	\$ 51,571,522	\$ 40,775,257	\$ 40,560,981	\$ 37,990,067	\$ 46,361,618
Expenditures										
Current:										
General government	\$ 6,317,924	\$ 6,834,294	\$ 7,664,351	\$ 8,355,382	\$ 9,090,386	\$ 8,733,377	\$ 8,330,163	\$ 8,297,155	\$ 8,723,912	\$ 8,629,951
Public works	5,312,557	11,561,473	7,378,793	6,205,252	6,715,587	6,371,037	6,282,337	6,076,453	8,593,339	9,709,417
Public safety	6,938,466	11,387,959	8,721,948	9,252,271	8,206,178	8,313,735	8,916,071	9,117,522	9,355,011	9,654,798
Parks and recreation	973,301	1,228,864	1,554,022	1,664,041	1,786,679	1,698,369	1,644,297	1,594,654	1,544,437	1,356,894
Judicial system	266,995	288,039	296,852	321,528	355,259	361,880	334,936	361,443	387,105	333,954
Debt service:										
Principal	3,430,315	3,002,703	2,987,600	2,727,165	2,799,456	1,807,964	2,140,199	2,502,925	2,564,513	2,173,858
Interest	989,620	839,454	738,698	676,843	535,030	413,769	626,458	957,622	588,590	503,293
Other charges	123,105	-	-	-	-	166,466	-	-	-	-
Capital outlay	5,935,203	9,586,819	7,598,247	7,774,413	13,780,658	24,821,372	13,486,576	13,662,329	8,177,606	12,518,430
Total expenditures	\$ 30,287,486	\$ 44,729,605	\$ 36,940,511	\$ 36,976,895	\$ 43,269,233	\$ 52,687,969	\$ 41,761,037	\$ 42,570,103	\$ 39,934,513	\$ 44,880,595
Excess of revenues over (under) expenditures	(778,790)	(2,204,338)	1,922,894	7,048,602	907,693	(1,116,447)	(985,780)	(2,009,122)	(1,944,446)	1,481,023
Other financing sources (uses)										
Transfers in	\$ 7,292,329	\$ 7,672,564	\$ 10,405,460	\$ 6,738,738	\$ 10,146,314	\$ 7,003,160	\$ 7,576,966	\$ 7,425,748	\$ 6,806,531	\$ 6,485,352
Transfers out	(6,942,245)	(9,850,905)	(8,907,209)	(6,392,161)	(9,791,171)	(6,546,399)	(7,359,536)	(6,544,603)	(6,172,756)	(5,781,929)
Proceeds from the sale of capital assets	86,843	-	-	-	-	-	-	-	-	-
Premium on bonds sold	21,231	-	-	-	-	69,739	-	-	-	-
Payments to refunded bond escrow agent	(6,208,931)	-	-	-	-	-	-	-	-	-
Issuance of debt	6,280,400	-	-	-	-	9,950,000	-	-	-	-
Proceeds from insurance	-	887,178	1,013,636	-	-	-	-	-	-	-
Loan proceeds	-	2,000,000	-	-	-	-	-	-	-	-
Loan cancellation	-	-	-	-	-	-	-	-	-	972,260
Total other financing sources (uses)	529,627	708,837	2,511,887	346,577	355,143	10,476,500	217,430	881,145	633,775	1,675,683
Net change in fund balances	\$ (249,163)	\$ (1,495,501)	\$ 4,434,781	\$ 7,395,179	\$ 1,262,836	\$ 9,360,053	\$ (768,350)	\$ (1,127,977)	\$ (1,310,671)	\$ 3,156,706
Debt service as a percentage of noncapital expenditures	16.78%	9.49%	12.51%	13.38%	11.22%	7.36%	9.46%	11.58%	9.87%	8.63%

CITY OF SLIDELL, LOUISIANA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 6

Fiscal Year	Real Property		Commercial Personal Property		Public Service Property		Railroad Stock		Total		Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2005	\$ 115,100,578	\$ 1,151,005,780	\$44,963,551	\$ 299,757,007	\$11,406,435	\$ 76,042,900	\$ 35,790	\$ 238,600	\$ 171,506,354	\$ 1,527,044,287	31.59	11%
2006	96,017,323	960,173,230	43,868,931	292,459,540	11,447,881	76,319,207	48,030	320,200	151,382,165	1,329,272,177	30.21	11%
2007	101,540,780	1,015,407,800	39,724,153	264,827,687	11,569,868	77,132,453	64,900	432,667	152,899,701	1,357,800,607	30.21	11%
2008	104,096,168	1,040,961,680	45,282,932	301,886,213	12,495,807	83,305,380	77,570	517,133	161,952,477	1,426,670,407	30.98	11%
2009	152,689,219	1,526,892,190	43,196,593	287,977,286	12,867,749	85,784,993	76,810	512,067	208,830,371	1,901,166,536	27.82	11%
2010	158,105,667	1,581,056,670	43,284,871	288,565,807	13,246,268	88,308,453	43,090	287,267	214,679,896	1,958,218,197	27.82	11%
2011	159,545,775	1,595,457,750	40,136,624	267,577,493	13,318,052	88,787,013	76,120	507,467	213,076,571	1,952,329,723	27.82	11%
2012	162,233,882	1,622,338,820	37,314,678	248,764,520	13,016,490	86,776,600	98,340	655,600	212,663,390	1,958,535,540	26.79	11%
2013	188,834,872	1,888,348,720	38,153,308	254,355,387	12,934,379	86,229,193	103,010	686,733	240,025,569	2,229,620,033	26.56	11%
2014	185,222,294	1,852,222,940	42,519,217	283,461,447	13,880,086	92,533,907	89,460	596,400	241,711,057	2,228,814,694	25.89	11%

Total assessed value is based on the following percentages of estimated actual value:

Residential property	10%
Commercial property	15%
Public service property	15%
Railroad stock	15%

NOTE: Information is not available and/or is confidential regarding sales tax revenue.

CITY OF SLIDELL, LOUISIANA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 7

Overlapping Rates

Fiscal Year	City of Slidell			Parish			School District			Special Districts	Total Direct & Overlapping Rates
	Operating Millage	Debt Service Millage	Total City Millage	Operating Millage	Debt Service Millage	Total Parish Millage	Operating Millage	Debt Service Millage	Total School Millage		
2005	22.38	9.21	31.59	27.71	-	27.71	50.69	23.90	74.59	47.02	180.91
2006	22.38	7.83	30.21	31.71	-	31.71	55.94	21.90	77.84	56.02	195.78
2007	22.38	7.83	30.21	34.05	-	34.05	55.94	21.90	77.84	56.34	198.44
2008	22.38	8.60	30.98	35.98	-	35.98	55.94	21.90	77.84	56.34	201.14
2009	20.53	7.29	27.82	35.98	-	35.98	47.55	21.90	69.45	48.71	181.96
2010	20.53	7.29	27.82	32.47	-	32.47	47.55	20.90	68.45	49.71	178.45
2011	20.53	7.29	27.82	32.47	-	32.47	47.55	20.90	68.45	47.38	176.12
2012	19.52	7.27	26.79	32.22	-	32.22	47.55	20.90	68.45	48.23	175.69
2013	19.33	7.23	26.56	36.55	-	36.55	47.28	20.90	68.18	43.2	174.49

CITY OF SLIDELL, LOUISIANA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 8

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central LA Electric Company	\$ 7,693,470	1	3.18%	\$ 5,050,860	3	3.01%
AT&T Southeast Tax Dept	3,251,184	2	1.34%			
Sizeler North Shore Limited	3,032,747	3	1.25%	2,946,140	6	1.76%
Wal Mart Real Estate Business	2,217,401	4	0.92%			
IRT Property Company	1,872,888	5	0.77%			
JP Morgan Chase Bank	1,753,674	6	0.72%			
Atmos Energy Louisiana	1,698,769	7	0.70%			
Capital One, N.A.	1,628,010	8	0.67%			
Volvo CE Rents/Tuff Equipment	1,608,190	9	0.66%			
Pelican Pointe NE Limited Par	1,531,999	10	0.63%			
Wal Mart Stores (2) / Sam's				7,189,030	1	4.29%
Bellsouth Communications	-	-	-	5,329,930	2	3.18%
McKesson Corp. Services	-	-	-	4,698,930	4	2.80%
Bank One	-	-	-	2,999,840	5	1.79%
Tenet Healthcare Corp.	-	-	-	2,830,940	7	1.69%
Hibernia National Bank	-	-	-	2,383,270	8	1.42%
Healthcare Prop Prtnshp	-	-	-	1,705,950	9	1.02%
Charter Communications	-	-	-	1,550,300	10	0.93%
TOTALS	<u><u>\$ 26,288,332</u></u>		<u><u>10.84%</u></u>	<u><u>\$ 36,685,190</u></u>		<u><u>21.89%</u></u>

CITY OF SLIDELL, LOUISIANA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 9

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections for Previous Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
2005	\$ 5,417,949	\$ 5,239,772	97%	\$ 20,435	\$ 5,260,207	97%
2006	4,573,255	4,305,820	94%	26,294	4,332,114	95%
2007	4,619,100	4,482,566	97%	171,171	4,653,737	101%
2008	5,017,288	4,781,614	95%	55,894	4,837,508	96%
2009	5,809,662	5,588,340	96%	6,803	5,595,144	96%
2010	5,972,761	5,765,969	97%	6,291	5,772,260	97%
2011	5,927,815	5,786,605	98%	9,267	5,795,872	98%
2012	5,697,252	5,527,287	97%	8,635	5,535,922	97%
2013	6,375,079	6,080,058	95%	6,903	6,086,961	95%
2014	6,257,899	6,110,623	98%	12,360	6,122,983	98%

* Total collections include redemptions.

Property tax is collected by another governmental entity. Information concerning the tax year related to collections for previous years is not available.

CITY OF SLIDELL, LOUISIANA
PRINCIPAL SALES TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 10

Taxpayer	2014			2005		
	Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected	Taxable Sales Tax Collections	Rank	Percentage of Total Sales Tax Collected
Retail Sales 1	\$ 1,535,942	1	8.36%	\$ 1,587,009	1	8.77%
Retail Sales 2	906,772	2	4.94%	881,668	3	4.87%
Auto Sales	892,482	3	4.86%	1,414,259	2	7.82%
Retail Sales 3	565,047	4	3.08%	564,352	4	3.12%
Grocery Sales 1	448,422	5	2.44%	365,588	7	2.02%
Grocery Sales 2	422,602	6	2.30%	-	-	-
Retail Sales 4	275,977	7	1.50%	401,692	6	2.22%
Pharmacy Sales	246,917	8	1.34%	-	-	-
Hardware Stores	241,517	9	1.32%	294,671	8	1.63%
Grocery Sales 3	232,607	10	1.27%	268,402	10	1.48%
Retail Sales 6	-	-	-	-	-	-
Hardware Stores	-	-	-	294,237	9	1.63%
Hospital	-	-	-	406,156	5	2.24%
TOTALS	<u><u>\$ 5,768,285</u></u>		<u><u>31.41%</u></u>	<u><u>\$ 6,478,034</u></u>		<u><u>35.80%</u></u>

Source: Based on Sales Tax Collections, compiled by City of Slidell Finance Department.

CITY OF SLIDELL, LOUISIANA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 11

Fiscal Year	Governmental Activities						Business - Type Activities			Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Sales Tax Revenue Bonds	Capital Leases	LCDA Excess Rev Bond	Certificate of Indebtedness	Community Disaster Loan	Utility Bonds	Equipment Leases	Certificate of Indebtedness			
2005	\$ 8,817,874	\$ 10,665,092	\$ 1,261,085	\$ 4,190,900	\$ -	\$ -	\$ 7,567,023	\$ -	\$ -	\$ 32,501,974	3.56%	1,251
2006	7,797,700	9,100,917	1,142,482	3,941,800	-	2,000,000	7,682,980	-	-	31,665,879	3.86%	1,092
2007	6,737,526	7,476,742	1,018,998	3,689,200	-	2,000,000	7,515,000	-	-	28,437,466	3.83%	981
2008	5,647,352	6,282,567	890,432	3,425,600	-	2,000,000	7,020,000	-	1,971,000	27,236,951	3.67%	1,052
2009	4,517,175	5,078,392	756,576	3,145,000	-	2,000,000	6,500,000	-	1,807,000	23,804,143	3.29%	876
2010	13,972,402	4,314,077	617,212	2,851,400	-	2,000,000	5,965,000	-	1,637,000	31,357,091	4.12%	1,141
2011	13,122,890	3,520,042	472,113	2,546,300	-	2,000,000	5,293,648	-	1,460,000	28,414,993	3.64%	1,050
2012	12,108,378	2,700,867	321,043	2,227,700	-	1,846,745	4,704,918	-	1,276,000	25,185,651	3.14%	919
2013	11,058,866	2,201,692	163,758	1,877,600	-	1,384,618	4,096,188	-	1,084,000	21,866,722	2.65%	799
2014	9,995,845	1,844,353	-	1,517,500	-	-	3,086,350	-	884,000	17,328,048	2.07%	621

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics, Table 16, for personal income and population data.

CITY OF SLIDELL, LOUISIANA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 12

<u>Fiscal Year</u>	<u>General Obligation Bonds (2)</u>	<u>Less: Amounts Available in Debt Service Fund (3)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable (1) Value of Property</u>	<u>Per Capita (4)</u>
2005	\$ 8,920,000	\$ 1,429,599	\$ 7,490,401	0.50%	258
2006	7,890,000	1,276,223	6,613,777	0.51%	228
2007	6,820,000	1,215,359	5,604,641	0.41%	193
2008	5,720,000	1,267,583	4,452,417	0.31%	172
2009	4,580,000	1,404,003	3,175,997	0.17%	117
2010	13,960,000	2,167,344	11,792,656	0.60%	429
2011	13,105,000	2,390,160	10,714,840	0.55%	396
2012	12,085,000	2,396,031	9,688,969	0.49%	353
2013	11,030,000	2,547,268	8,482,732	0.38%	310
2014	9,940,000	2,587,133	7,352,867	0.33%	267

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property, Table 6, for property value data.
- (2) Amount does not include special assessment, sales tax or revenue bonds.
- (3) Amount available for repayment of general obligation bonds.
- (4) 2000 and 2002-2008 population is based on research Division, College of Administration and Business, Louisiana Tech University.
2009, 2013, 2014 information is based on estimates of U.S. Census Bureau.
2011 is based on the 2010 census.

CITY OF SLIDELL, LOUISIANA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014
(UNAUDITED)

TABLE 13

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
St. Tammany Parish	\$ 12,705,000	10.92%	\$ 1,387,386
St. Tammany Parish School Board	\$ 205,170,000	10.92%	22,404,564
Subtotal, overlapping debt			\$ 23,791,950
City of Slidell direct debt		100%	\$ 13,262,500
Total direct and overlapping debt			<u>\$ 37,054,450</u>

Source: St. Tammany Parish School Board officials and St. Tammany Parish Comprehensive Financial Annual Report.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Slidell. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore, is responsible for repaying the debt of each overlapping government.

- (1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the Parish's taxable assessed value that is within the City's boundaries and dividing it by the Parish's total taxable assessed value.

CITY OF SLIDELL, LOUISIANA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 14

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$58,657,493	\$52,117,538	\$53,514,895	\$55,525,341	\$71,145,288	\$73,705,796	\$ 73,940,185	\$73,407,791	\$ 81,177,785	\$ 84,598,870
Total net debt applicable to limit	(7,490,401)	(6,613,777)	(5,604,641)	(4,504,641)	(3,175,997)	(11,792,656)	(10,714,840)	(9,688,969)	(8,482,732)	(7,352,867)
Legal debt margin	<u>\$51,167,092</u>	<u>\$45,503,761</u>	<u>\$47,910,254</u>	<u>\$51,020,700</u>	<u>\$67,969,291</u>	<u>\$61,913,140</u>	<u>\$ 63,225,345</u>	<u>\$63,718,822</u>	<u>\$ 72,695,053</u>	<u>\$ 77,246,003</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.77%</u>	<u>12.69%</u>	<u>10.47%</u>	<u>8.11%</u>	<u>4.46%</u>	<u>15.90%</u>	<u>14.49%</u>	<u>13.20%</u>	<u>10.45%</u>	<u>8.69%</u>

Legal debt margin calculation for fiscal year 2014	
Assessed value	<u>\$ 241,711,057</u>
Debt Limit - 35% of \$241,711,057 (1)	\$ 84,598,870
Debt applicable to the limit:	
General obligation bonds	\$ 9,940,000
Less: Amount set aside for repayment of general obligation debt	<u>(2,587,133)</u>
Total net debt applicable to limit	<u>7,352,867</u>
Legal debt margin	<u>\$ 77,246,003</u>

(1) State law allows a maximum of 35% of assessed valuation for total bonded general obligation debt.

CITY OF SLIDELL, LOUISIANA
PLEDGED - REVENUE COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 15

Fiscal Year	Utility Revenue Bonds						Sales Tax Bonds			
	Utility Charges and Other	Less: Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	Sales Tax Revenue	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2005	\$9,144,704	\$6,314,018	\$ 2,830,686	\$ 445,000	\$ 250,332	4.07	\$ 18,093,876	\$ 2,130,000	\$ 405,640	7.14
2006	7,873,276	6,319,334	1,553,942	460,000	335,892	1.95	23,569,352	1,605,000	347,640	12.07
2007	9,374,437	6,704,387	2,670,050	480,000	335,742	3.27	22,610,447	1,665,000	302,140	11.49
2008	9,663,529	6,551,620	3,111,909	495,000	320,363	3.82	21,130,329	1,235,000	251,193	14.22
2009	10,343,042	6,708,150	3,634,892	520,000	298,730	4.44	19,158,940	1,245,000	204,630	13.22
2010	10,336,558	7,074,392	3,262,166	535,000	275,950	4.02	17,896,150	1,668,600	365,797	8.80
2011	10,890,143	7,134,999	3,755,144	640,000	229,001	4.32	17,980,547	1,995,100	601,060	6.93
2012	11,003,101	7,405,468	3,597,633	595,000	198,027	4.54	17,921,402	2,351,855	838,194	5.62
2013	11,383,684	7,452,090	3,931,594	595,000	102,875	5.63	17,984,751	2,407,227	575,379	6.03
2014	11,530,190	7,663,648	3,866,542	590,000	195,531	4.92	18,361,905	2,010,100	496,534	7.33

NOTE: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Amount does not include depreciation.

CITY OF SLIDELL AND ST. TAMMANY PARISH, LOUISIANA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 16

Fiscal Year	City of Slidell Population (1)	St. Tammany Parish Population (2)	St. Tammany Parish Total Personal Income (2)	St. Tammany Parish Per Capita Personal Income (2)	State Unemployment Rate (3)	St. Tammany Parish School Enrollment (4)	Median Age (5)
2004	28,237	202,203	6,565,576,000	31,639	4.5%	35,214	*
2005	28,990	210,296	7,027,647,000	32,886	3.9%	36,169	36.8
2006	28,990	220,295	6,214,212,000	28,270	4.2%	34,728	*
2007	28,990	270,000	7,507,890,000	27,807	4.0%	35,294	37.0
2008	25,879	226,625	6,340,288,000	27,977	3.3%	35,523	36.7
2009	27,183	228,456	6,453,653,544	28,249	5.7%	35,878	*
2010	27,477	231,495	6,584,180,790	28,442	6.4%	36,441	38.7
2011	27,068	233,740	6,681,925,380	28,587	7.8%	37,221	37.3
2012	27,419	236,785	6,933,538,370	29,282	8.6%	37,508	39.8
2013	27,369	239,453	7,215,437,249	30,133	7.9%	37,926	36.4
2014	27,526	242,333	7,384,855,842	30,474	5.7%	38,044	37.1

NOTE: The City of Slidell is located within St. Tammany Parish.

* Information not available / no current information

Sources:

- (1) 2005-2008 population is based on research Division, College of Administration and Business, Louisiana Tech University.
2009-2014 information is based on U.S. Census Bureau.
- (2) 2005-2007 information is based on St. Tammany Economic Development Foundation.
2008-2014 information is based on U.S. Census Bureau.
- (3) Louisiana Department of Labor
- (4) St. Tammany Parish School Board
- (5) U.S. Census Bureau

CITY OF SLIDELL, LOUISIANA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TABLE 17

Employer	Location	2014			2005		
		Employees	Rank	% of Total St. Tammany Parish Employment	Employees	Rank	% of Total St. Tammany Parish Employment
St. Tammany Parish School Board	Covington/Slidell	5,400	1	4.86%	7,651	1	8.52%
St. Tammany Parish Hospital	Covington	1,855	2	1.67%	1,500	2	1.67%
Ochsner Health System	Parish wide	1,100	3	0.99%	-	-	-
Slidell Memorial Hospital	Slidell	889	4	0.80%	1,022	4	1.14%
St. Tammany Parish Sheriff's Office	Parish wide	747	5	0.67%	650	6	0.72%
Lakeview Regional Medical Center	Covington	562	6	0.51%	715	5	0.80%
Textron Marine & Land Systems	Slidell	494	7	0.44%	-	-	-
City of Slidell	Slidell	355	8	0.32%	-	-	-
Louisiana Heart Hospital	Lacombe	274	9	0.25%	-	-	-
Pool Corp.	Covington	261	10	0.23%	-	-	-
Walmart	Parish Wide	-	-	-	1,125	3	1.25%
Southeast Louisiana	Mandeville	-	-	-	621	7	0.69%
St. Tammany Parish Government	Parish wide	-	-	-	518	8	0.58%
Home Depot	Parish wide	-	-	-	500	9	0.56%
Northshore Regional Medical Cntr	Slidell	-	-	-	490	10	0.55%
TOTAL		11,937		10.74%	14,792		16.48%

NOTE: Information is only available for St. Tammany Parish, in which the City of Slidell is located.

CITY OF SLIDELL, LOUISIANA
FULL - TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 18

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Administrative	6	6	6.5	6.5	6.5	6.5	5.1	5	5	5
Finance (1)	22	22	22	22	22	22	21	20	19	19
Legal	2	2	2	2	2	2	2	2	2	2
Animal Control	8	8	8	8	8	8	8	7	7	7
Civil Service	4	4	4	4	4	4	4	3	3	3
Legislative	12	12	12	12	12	12	12	12	12	12
Public Safety										
Police	111	111	112	115	117	117	113	112	110	104
Public Works										
Public Operations (2)	71.5	71.5	71.5	74.5	72.5	71.5	66.5	63.5	62.5	58.5
Permits	8	9	11	11	11	11	10	6	5.5	6.5
Planning	4	4	4	5	5	5	5	3.5	3.5	3.5
Engineering	8	8	8	9	9	9	8	7	7	6
Public Utility (3)	64.5	64.5	64.5	64.5	63.5	61.5	61.5	61.5	61.5	61.5
Judicial System (4)	4	4	4	4	5	6	6	6	6	6
Recreation and Culture	18	18	17.5	17.5	17.5	17.5	16.1	15.5	15	13
Airport	3	3	3	3	3	3	3	2	1	1
DISA (5)	0	0	0	0	0	0	0	0	0	5
Total	<u>346</u>	<u>347</u>	<u>350</u>	<u>358</u>	<u>358</u>	<u>356</u>	<u>341.2</u>	<u>326</u>	<u>320</u>	<u>313</u>

Source: Adopted FY2014 Budget City of Slidell

Note: Includes Elected, Unclassified, and Classified full time employees per the original adopted budget.
2014 figures represent budgeted positions by department.

- (1) Includes Finance Administration, Data Processing, Purchasing and Risk Management.
- (2) Includes Sales Tax Administration, Vehicle Maintenance, Streets, Bridges, Drainage, General Maintenance & Electrical.
- (3) Includes Public Utility Administration, Wastewater Treatment Plant, Wastewater Collection & Water maintenance.
- (4) Includes City Court, City Marshall and City Prosecutor
- (5) DISA employees became full time employees in 2014. From 2008-2013 DISA employees were contract employees.

CITY OF SLIDELL, LOUISIANA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 19

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public Safety										
Total arrests	3,918	2,965	3,297	3,780	3,640	3,237	3,312	3,167	2,847	2,647
Parking tickets	168	77	75	311	188	170	107	53	69	56
Traffic violations	3,931	3,433	3,480	4,947	4,357	4,087	5,391	4,509	3,608	3,349
Public Works										
Potholes repaired	50	100	550	577	1,525	2,503	2,318	1,876	1,455	1,635
Public Utility										
Water										
Number of accounts	9,990	9,746	10,175	10,404	10,407	10,470	10,570	10,625	10,730	10,806
New meter connections	174	131	195	168	40	91	309	241	204	255
Old meter change out	758	307	388	189	10,300	232	170	26	18	14
Daily average consumption (MGD)	3.2	*	3.1	3.1	3.1	3.0	3.1	3.4	3.1	3.2
Wastewater										
Number of accounts	9,830	9,334	10,036	10,202	10,187	10,236	10,316	10,359	10,455	10,514
Average daily treated wastewater (MGD)	4.60	4.60	4.15	3.94	3.63	4.46	3.65	3.92	4.31	4.27
Building Permits										
New residential	67	86	202	136	52	24	14	15	43	26
Residential additions	150	2,149	721	262	132	103	140	112	257	213
New commercial	49	25	70	34	34	17	24	9	11	27
Commercial additions	131	232	146	114	108	98	90	96	89	121
Recreation and Culture										
Number of teams in softball league	81	26	86	70	86	85	72	90	86	84
Number of children on summer camp	301	154	175	174	175	174	173	175	173	174
Park pavilions rentals	191	107	154	151	143	140	155	172	195	218
Airport										
Number of land leases	10	10	9	9	17	16	16	16	16	16
Number of tie downs	32	32	26	26	33	35	38	28	30	29
Number of hanger leases	1	1	3	3	1	2	2	-	-	-

Note: Indicators are not available for the general government function

* Information not available

Sources: Various government departments

CITY OF SLIDELL, LOUISIANA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

TABLE 20

Function	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Vehicles	*	*	20	21	20	19	19	17	16	18
Machinery & equipment	*	*	3	6	6	8	8	8	9	10
Public Safety										
Vehicles	*	*	121	129	146	134	131	138	150	130
Machinery & equipment	*	*	12	12	13	12	12	12	11	17
Stations	2	2	2	2	2	2	2	2	2	2
Training Academy	1	1	1	1	1	1	1	1	1	1
Public Works										
Vehicles	*	*	73	75	78	82	80	75	74	71
Machinery & equipment	*	*	76	82	84	88	92	95	92	95
Paved streets (miles)	122.6	144	144	146.53	153.12	155.21	155.21	155.35	153.56	152.8
Unimproved streets (miles)	1.9	8	8	8	8	8	8	8	12.75	12.7
Concrete streets (miles)	*	96	96	98.53	105.56	107.21	107.21	107.35	88.07	88.1
Asphalt streets (miles)	*	48	48	48	48	48	48	48	65.49	64.7
Streetlights	2738	2844	2853	2907	2921	2924	2927	2949	3049	3075
Traffic signals	57	58	59	59	58	59	59	64	64	64
Public Utility										
Water										
Vehicles	*	*	16	16	18	17	16	15	15	15
Machinery & equipment	*	*	16	15	17	17	17	18	18	20
Water mains (miles)	156.48	156.48	156.48	166.5	166.9	167.4	165.88	165.88	171.64	172.2
Maximum capacity of water storage tanks (gallons)	2,150,000	2,150,000	2,150,000	2,150,000	2,500,000	2,500,000	2,150,000	2,150,000	3,000,000	2,100,000
Number of water storage tanks	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Productive capacity (MGD)	10.9	10.9	10.9	10.9	15.9	15.562	15.562	15.562	15.9	15.9
Sewer										
Vehicles	*	*	31	32	35	35	32	32	31	33
Machinery & equipment	*	*	18	22	23	26	26	31	29	30
Sanitary sewers (miles)	106.9	106.9	106.9	162	162	162.1	169.1	169.1	165.68	166.5
Plant capacity (MGD)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Recreation and Cultural Arts										
Vehicles	*	*	12	15	15	12	11	11	13	12
Machinery & equipment	*	*	27	32	33	36	37	38	37	35
Parks acreage	420.24	420.24	420.24	420.24	420.24	420.24	420.24	420.24	430.24	430.24
Number of playgrounds	22	22	22	22	22	22	22	22	22	22
Number of picnic areas	18	18	18	18	18	18	18	18	18	18
Number of gyms	2	2	2	2	2	2	2	2	2	2
Airport										
Vehicles	*	*	1	1	2	1	1	1	2	2
Machinery & equipment	*	*	5	5	6	6	6	5	5	5
Feet of runway	4,000	5,000	5,000	5,002	5,002	5,002	5,002	5,002	5,002	5,001
Feet of parallel taxiway	4,000	5000	5,000	5,002	5,002	5,002	5,002	5,002	5,002	5,000
Feet of connecting taxiway	1,000	1250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,750
Feet of auburn taxilane	800	800	800	800	800	800	800	800	800	820
Number of t-hangers	16	16	16	16	16	32	32	32	32	32
Feet of t-hangers taxilane	1,400	1,400	1,400	1,386	1,386	1,386	1,386	1,386	1,386	2,000
Sq feet of t-hangers	18,550	18,550	18,550	18,550	18,550	37,100	37,100	37,100	37,100	36,400

Sources: Various city departments.

* Information not available

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Audit Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Slidell, Louisiana (the "City") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 12, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
December 12, 2014

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the City Council, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 12, 2014
Mandeville, Louisiana



Certified Public Accountants



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana

Report on Compliance for Each Major Federal Program

We have audited the City of Slidell's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
December 12, 2014

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



To the Honorable Mayor
and Members of the City Council
City of Slidell, Louisiana
December 12, 2014

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended for the information of management, the City Council, others within the City, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 12, 2014
Mandeville, Louisiana

Erickson, Krentel & Laporte, LLP

Certified Public Accountants

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CITY OF SLIDELL, LOUISIANA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Total Grant Award	Federal Expenditures
U.S. Department of Homeland Security				
<i>Pass - Through Louisiana Governor's Office of Homeland Security and Emergency Preparedness:</i>				
Public Assistance Grant - Katrina 1603	97.036	DR 1603	-	\$ 1,131,346
Acquisition Project Phase V	97.039	HMGP-1603-103-0001	771,474	-
Elevation Project Phase VI	97.039	HMGP-1603-103-0002	641,835	-
Reconstruction Project Phase VII	97.039	HMGP-1603-103-0026	647,458	53,895
Reconstruction Project Phase VIII	97.039	HMGP-1603-103-0003	4,455,120	765,401
Drainage Improvements	97.039	HMGP-1603n-103-0043	11,231,926	8,065,941
Total CFDA 97.039				8,885,237
Severe Repetitive Loss Program Phase I	97.110	SRL-PJ-06-LA-2010-002	3,824,351	931,822
Severe Repetitive Loss Program Phase II	97.110	SRL-PJ-06-LA-2009-020	1,905,164	771,791
Severe Repetitive Loss Program Phase III	97.110	SRL-PJ-06-LA-2012-006	3,220,377	2,146,673
Severe Repetitive Loss Program Phase IV	97.110	SRL-PJ-06-LA-2012-018	494,590	7,290
Total CFDA 97.110				3,857,576
<i>Pass - Through United States Secret Service, Louisiana Electronic and Financial Crimes Task Force</i>				
Electronic Crime Task Force FY14	-	-	2,010	528
United States Secret Service	-	-	960	400
Total Crime Task Force				928
Total U.S. Department of Homeland Security				13,875,087
U.S. Department of Housing and Urban Development				
Community Development Block Grant/Entitlement Grants	14.218	B-11-MC-22-0010	178,606	65,641
Community Development Block Grant/Entitlement Grants	14.218	B-12-MC-22-0010	178,606	90,603
Community Development Block Grant/Entitlement Grants	14.218	B-13-MC-22-0010	164,895	1,368
Total CFDA 14.218				157,612
<i>Pass - Through Louisiana Housing Authority:</i>				
Emergency Solutions Grant	14.231	717433	51,500	43,625
<i>Pass - Through Louisiana Division of Administration, Office of Community Development Disaster Recovery Unit:</i>				
Unified Development Code - OCD Category 1 - Zoning Ordinance	14.228	CO-OP 698569	261,189	20,894
Unified Development Code - OCD Category 2 - Code Enforcement	14.228	CO-OP 708957	65,222	19,525
Total CFDA 14.228				40,419
Total U.S. Department of Housing and Urban Development				241,656
U.S. Department of Health and Human Services				
Food and Drug Administration (task force)			35,000	9,592
Total U.S. Department of Health and Human Services				9,592
U.S. Department of Justice				
Bureau of Justice Assistance: Bulletproof Vest Partnership Grant	16.607	-	84,878	12,264
Asset Forfeiture and Money Laundering Section: Asset Forfeiture	16.922	96-2450-J11	-	60,959
DEA FY14 (task force)			17,202	11,365
US Marshals FY14 (task force)		JLEO-14-0232	14,000	9,676
<i>Pass - Through State of Louisiana</i>				
LCLE Crime Scene Equipment	16.738	B11-7-016	3,230	3,230
Total U.S. Department of Justice				97,494
U.S. Environmental Protection Agency				
<i>Pass - Through UNO Research and Technology Foundation:</i>				
Sewer Pump Station Rehab FY12	66.125	BR-00F40501	85,000	46,750
Sewer Pump Station Rehab FY14	66.125	BR-00F63101	123,690	102,696
Sewer Pump Station Rehab FY15	66.125	BR-00F77001	180,000	-
Total CFDA 66.125				149,446
Total U.S. Environmental Protection Agency				149,446
U.S. Department of Interior				
<i>Pass - Through State of Louisiana</i>				
Boating Infrastructure	15.605	16-01-00-86-6	1,500,000	-
Total U.S. Department of Interior				-
U.S. Department of Transportation				
<i>Pass - Through Louisiana Department of Transportation and Development:</i>				
Highway Planning and Construction Cluster:				
SW Frontage Rd Construction	20.205	ARR-5207(509)	3,312,027	12,742
Kensington Bike Path	20.219	ENH-5208(513)	730,000	152,381
Total Highway Planning and Construction Cluster				165,123

CITY OF SLIDELL, LOUISIANA
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through or Grantor/Program or Cluster Title	Federal CFDA Number	Grant Number	Total Grant Award	Federal Expenditures
U.S. Department of Transportation (continued)				
<i>Pass- Through Louisiana Department of Public Safety and Corrections, LA</i>				
<i>Highway Safety Commission:</i>				
<i>Highway Safety Cluster:</i>				
DWI Enforcement Grant	20.600, 20.205 & 20.601	LHSC 2012-30-52	193,536	34,959
DWI Enforcement Grant	20.600, 20.205 & 20.601	LHSC 2014-30-52	118,557	<u>57,655</u>
Total Highway Safety Cluster				92,614
Total U.S. Department of Transportation				<u>257,737</u>
U.S. Department of Treasury				
Asset Forfeiture and Money Laundering Section: Asset Forfeiture	21.000			23,650
Total U.S. Department of Treasury				<u>23,650</u>
Total Expenditures of Federal Awards				<u>\$14,654,662</u>

CITY OF SLIDELL, LOUISIANA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

NOTE 1 – SCOPE OF AUDIT PURSUANT TO *GOVERNMENT AUDITING STANDARDS*, OMB CIRCULAR A-133, “AUDITS OF STATES, LOCAL GOVERNMENTS, AND NON-PROFIT ORGANIZATIONS” AND THE SINGLE AUDIT ACT OF 1984 AND 1996 AMENDMENTS

All federal grant operations of the City of Slidell (the City) are included in the scope of the single audit. Those programs which were major grants and selected for specific testing were:

Public Assistance Grant (CFDA No. 97.036)
Hazard Mitigation Cluster (CFDA No. 97.039)
Community Development Block Grants (CFDA No. 14.218)

NOTE 2 – FISCAL PERIOD AUDIT

Single audit testing procedures were performed for program transactions occurring during the year ended June 30, 2014.

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the City has met the qualifications for the respective grants.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by the City. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

Non-Cash Assistance

As further disclosed in Note 5 to the financial statements, during 2014, the U.S. Department of Homeland Security approved the full cancellation of the \$2,000,000 Community Disaster Loan given to the City in 2006 to fund operating costs following Hurricane Katrina. The City received \$972,260 for principal and interest paid prior to cancellation and recognized that amount as other financing sources in the Statement of Revenues, Expenditures and Changes in Fund Balances for the Governmental Funds for the year ended June 30, 2014. In the Government-Wide Statement of Activities for the year ended June 30, 2014, the City recognized general revenue of \$2,356,878; \$1,384,618 for outstanding principal as of the date of cancellation plus \$972,260 for principal and interest paid prior to cancellation.

Payments to Subrecipients

There were no payments to subrecipients for the fiscal year ended June 30, 2014.

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CITY OF SLIDELL, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unmodified opinion on the financial statements of the City of Slidell, Louisiana.
2. No significant deficiencies in internal control relating to the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the City of Slidell, Louisiana were reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for the City of Slidell, Louisiana expresses an unqualified opinion.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. A management letter was not issued for the year ended June 30, 2014.
8. The programs tested as major programs were:

	<u>CFDA Number</u>
Public Assistance Grant	97.036
Hazard Mitigation Cluster	97.039
Community Disaster Block Grants	14.218

9. The threshold for distinguishing Types A and B programs was \$300,000.
10. City of Slidell, Louisiana was determined to be a low-risk auditee.

B. FINDINGS RELATED TO THE FINANCIAL STATEMENTS

There were no findings related to the financial statements for the year ended June 30, 2014.

C. FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL AWARD PROGRAMS

There were no findings related to major federal award programs for the year ended June 30, 2014.

CITY OF SLIDELL, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

N/A

**SECTION II - FINDINGS AND QUESTIONED COSTS RELATED TO MAJOR FEDERAL
AWARD PROGRAMS**

N/A

SECTION III - MANAGEMENT LETTER

N/A

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
JUNE 30, 2014

There are no compliance and/or internal control findings as described in the Schedule of Findings and Questioned Costs. Accordingly, no corrective action plan is required as a part of this section.

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